



**SPECIAL MEETING OF
BELMONT CITY COUNCIL
TUESDAY, OCTOBER 14, 2014, 6:30 P.M.
ONE TWIN PINES LANE, BELMONT, CA
*Third Floor Conference Room***

AGENDA

NOTICE IS HEREBY GIVEN of a Special Meeting called by Mayor Lieberman pursuant to Government Code Section 54956 for the following items:

In Compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at 650/595-7413. The speech and hearing-impaired may call 650/637-2999 for TDD services. Notification in advance of the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

1. ROLL CALL

2. PUBLIC COMMENTS

This is the public's opportunity to address the City Council on the item that will be considered in the Closed Session.

3. ADJOURN TO CLOSED SESSION TO CONSIDER:

- A. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION -
Initiation of litigation under Government Code Section 54956.9(d)(4): One case

ADJOURNMENT

**BELMONT CITY COUNCIL
and
BELMONT FIRE PROTECTION DISTRICT BOARD**

Belmont City Hall
One Twin Pines Lane, Belmont, CA



**AGENDA
Tuesday, October 14, 2014**

7:00 P.M. REGULAR MEETING
(City Council Chambers)

- 1. ROLL CALL**
- 2. PLEDGE OF ALLEGIANCE**
- 3. REPORT FROM CLOSED SESSION**
- 4. SPECIAL PRESENTATIONS**
 - A. Presentation by Wade Leschyn, Belmont's Appointee to the San Mateo County Mosquito and Vector Control District
- 5. PUBLIC COMMENTS AND ANNOUNCEMENTS**

This agenda category is limited to 15 minutes, with a maximum of 3 minutes per speaker, and is for items of interest not on the Agenda. If you wish to address the hearing body, please complete a Speaker's Card and give it to the City Clerk. If you wish to express an opinion on a non-agenda item without addressing the Council/Board, please fill out a "Comment Form" and give to the City Clerk.
- 6. COUNCIL MEMBER COMMENTS AND ANNOUNCEMENTS**
- 7. AGENDA AMENDMENTS (if any)**
- 8. CONSENT CALENDAR**

Consent Calendar items are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Council/Board or staff request specific items to be removed for separate action.

 - A. Waive further reading of proposed ordinances

- B. Minutes of Special City Council Meeting (Closed Session) of September 17, 2014, Special and Regular City Council Meeting of September 23, 2014, and Regular Belmont Fire Protection District Meeting of September 23, 2014
- C. Motion to Cancel Regular Council Meeting of November 11, 2014 (Veteran's Day)
- D. Resolution of the City Council Accepting a Donation from Merry Moppet School for Maintenance of Merry Moppet Lane
- E. Resolution of the City Council Accepting a 10-foot Wide Storm Drain Easement at 2609 and 2611 Monte Cresta Drive
- F. Resolution of the City Council Revising The City's Conflict Of Interest Code, Updating The Appendix Of Designated Employees And Amending The Disclosure Categories
- G. Resolution of the City Council Authorizing the City Manager to Execute a Service Agreement with The Lew Edwards Group for Communications Outreach and Consulting Services in an Amount Not to Exceed \$76,250 and Approving a Contingency of \$11,438

ACTION: 1) Motion to approve the Consent Calendar.

9. HEARINGS

- A. Mitigated Negative Declaration, Rezoning to Planned Unit Development (PD), and Vesting Tentative Map for a Mixed-Use (Commercial/Residential) Development at 576-600 El Camino Real

ACTION:

- 1) Open Hearing; Close Hearing**
- 2) Motion to approve/deny Resolution Approving Mitigated Negative Declaration**
- 3) Motion to introduce an ordinance rezoning property to PD**
- 4) Motion to approve/deny Resolution Approving Vesting Tentative Map**

10. OTHER BUSINESS (None)

11. COMMISSION, COMMITTEE, AND COUNCIL INTERGOVERNMENTAL ASSIGNMENT UPDATES, AND STAFF ITEMS

- A. Consideration of Resolution Reappointing Wade Leschyn to the San Mateo County Mosquito and Vector Control District

ACTION: 1) Motion to approve Resolution
2) Take other action

- B. Report from Audit Committee Regarding Annual Financial Report for Fiscal Year Ending June 30, 2014
- C. Verbal report from Councilmembers on Intergovernmental (IGR) and Subcommittee Assignments
- D. Verbal Report from City Manager

12. PUBLIC COMMENTS AND ANNOUNCEMENTS (if any)

For comments that could not be covered in the initial comment period.

13. MATTERS OF COUNCIL INTEREST/CLARIFICATION

- A. Consideration of Resolution Regarding Clear-Cut Logging (Mayor Lieberman, as requested by the Sierra Club)

**ACTION: 1) Motion to approve Resolution
2) Take other action**

14. ADJOURNMENT



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Meeting information can also be accessed via the internet at: www.belmont.gov. All staff reports will be posted to the web in advance of the meeting, and any writings or documents provided to a majority of the City Council/District Board regarding any item on this agenda will be made available for public inspection in the City Clerk's Office, One Twin Pines Lane, Suite 375, during normal business hours and at the Council Chambers at City Hall, Second Floor, during the meeting.

Meeting televised on Comcast Channel 27, and webstreamed via City's website at www.belmont.gov

Minutes of Special Meeting of September 17, 2014 (Closed Session)
One Twin Pines Lane, Suite 360, Belmont, CA

CALL TO ORDER 6:05 p.m.

ROLL CALL

COUNCIL PRESENT: Braunstein, Stone, Wright

COUNCIL ABSENT: Reed, Lieberman

ADJOURN TO CLOSED SESSION TO CONSIDER:

- A. Conference With Legal Counsel – Existing Litigation per Government Code
Section 54956.9(d)(1) – One case: City of Belmont v. Cohen, Sacramento
Superior Court No. 34-2013-80001617

CONVENE OPEN SESSION

REPORT FROM CLOSED SESSION

City Attorney Rennie noted that on a unanimous vote of 3-0 (Reed, Lieberman absent), the City Council approved the resolution of the litigation with the Department of Finance in the above-enumerated court case, and that the provisions of the settlement are available for review at City Hall.

ADJOURNMENT at this time, being 6:15 p.m.

Terri Cook
City Clerk

Meeting not videotaped or recorded.

Minutes of Special and Regular Meeting of September 23, 2014
One Twin Pines Lane

SPECIAL MEETING, Convene 6:30 p.m., Suite 360

ADJOURN TO CLOSED SESSION TO CONSIDER:

- A. Conference With Legal Counsel – Existing Litigation per Government Code Section 54956.9(d)(1) – Two cases: Vinarskiy v. City of Belmont, San Mateo County Superior Court No. CIV 527021, and Baka v. City of Belmont, San Mateo Superior Court No. CIV 523248.

Council Present: Wright, Braunstein, Reed, Stone

Council Absent: Lieberman

ADJOURNMENT at this time, being 6:55 p.m.

REGULAR MEETING (City Council Chambers)

CALL TO ORDER 7:05 P.M.

ROLL CALL

Council Present: Wright, Braunstein, Reed, Stone, Lieberman (via teleconference)

Council Absent: None

PLEDGE OF ALLEGIANCE

Led by Kathleen Beasley, Belmont Library Branch Manager

REPORT FROM CLOSED SESSION

City Attorney Rennie noted that there were no reportable actions from the Closed Session held earlier.

SPECIAL PRESENTATIONS

Presentation on Upcoming Save the Music Festival, October 5

Alan Sarver, Save the Music Chairperson, outlined the activities that would be taking place at the upcoming Save the Music Festival.

Recognition of National Night Out Event Hosts

Police Chief DeSmidt presented certificates to the hosts of the 13 National Night Out event coordinators.

PUBLIC COMMENTS AND ANNOUNCEMENTS

Kathleen Beasley, Belmont Library Manager, provided an update on library programs taking place throughout the fall.

Perry Kennan, Belmont resident, suggested setting some milestones for the update of the General Plan in order to meet the deadline to complete the project.

COUNCIL MEMBER COMMENTS AND ANNOUNCEMENTS

Councilmember Wright announced that Nellie Hungerford, Assistant Superintendent for the Belmont-Redwood Shores School District, will be retiring. She outlined some of her achievements.

Councilmember Reed commended some of the local 4-H members for their achievements. He also announced an upcoming Senior Scam Stopper workshop.

Councilmember Stone, Councilmember Braunstein and Mayor Lieberman also commented regarding retiring Assistant Superintendent Hungerford.

Mayor Lieberman acknowledged Councilmember Braunstein and City Clerk Cook on their efforts for National Night Out.

Councilmember Braunstein congratulated the Mid-Peninsula Water District's 85th anniversary. He also outlined the efforts during the recent Creek Cleanup event.

COMMENTS REGARDING CONSENT AGENDA ITEMS

Councilmember Reed congratulated the Finance Departments efforts related to the sale of the Successor Agency re-funding of bonds, which resulted in savings to taxpayers. He requested clarification regarding how the Treasurer's monthly report relates to the monthly financial report.

ITEMS APPROVED ON CONSENT CALENDAR

Minutes of the Special and Regular City Council Meeting of September 9, 2014

Motion to Receive Monthly Financial Reports

Acceptance of Closing Report on Sale of Successor Agency to the Belmont Redevelopment Agency Senior Tax Allocation Refunding Bonds, Series 2014A and Subordinate Tax Allocation Refunding Bonds, Series 2014B

Resolution 2014-131 Approving Establishment of 3-foot "No Parking" Zones on Both Sides of Southwest Driveway to the Crestview Apartments located at 510 Crest View Avenue Adjacent to 301 Old County Road

Resolution 2014-132 Authorizing the City Manager to execute a purchase order with TRIVAD, Inc., for the procurement and implementation of a wireless network for City facilities, in an amount not to exceed \$17,695

Resolution 2014-133 Authorizing the City Manager to execute a purchase order with VMI Inc., for the procurement and installation of audio visual equipment for the Emergency Operations Center in an amount not to exceed \$6,567

ACTION: On a motion by Councilmember Reed, seconded by Councilmember Stone, the Consent Agenda was unanimously approved.

OTHER BUSINESS

Review Solid Waste Rate Application, and Adopt a Resolution Stating the City of Belmont's Intent to Revise the Maximum Rate that may be Charged for Solid Waste, Recyclable Materials, and Organic Materials Collection Services Effective January 1, 2015 and Setting a Public Hearing for November 25, 2014

Public Works Director Oskoui outlined the process for rate setting and the Public Hearing date of November 25, 2014 for adoption of the rates.

Tom Gould, Solid Waste Consultant, provided an overview of the provisions of the franchise agreement with Recology for solid waste services. He described the previous years' adjustments based on cart migration, and noted that the majority of the migration has been completed. He noted that the net proposed rate increase for 2015 is 2.77 percent. He described the rate structure for unscheduled services.

Councilmember Stone expressed his desire to consider a restructuring of future solid waste rates in order to achieve equity, such as using a per-gallon charge.

In response to Councilmember Reed, Public Works Director Oskoui indicated that SBWMA (South Bayside Waste Management Authority) has analyzed the rates, and has indicated that the smaller carts are being subsidized by larger cart users. He noted that this is done as an incentive to encourage recycling and composting.

Councilmember Reed expressed support for analyzing the inequity in the rate structure as noted by Councilmember Stone, and the potential for moving towards a per-gallon structure.

Council concurred to look into this for future rate adjustments.

ACTION: On a motion by Councilmember Reed, seconded by Councilmember Wright, Resolution 2014-134 Stating the City of Belmont's Intent to Revise the Maximum Rate that may be Charged for Solid Waste, Recyclable Materials, and Organic Materials Collection Services Effective January 1, 2015 and Setting a Public Hearing for November 25, 2014 was unanimously approved

COMMISSION, COMMITTEE, AND COUNCIL INTERGOVERNMENTAL ASSIGNMENT UPDATES, AND STAFF ITEMS

Verbal report from Councilmembers on Intergovernmental (IGR) and Subcommittee Assignments

Councilmember Wright reported on a recent Commute.org (Peninsula Congestion Relief Alliance) meeting, and noted that she met with representatives from Sares Regis regarding the proposed project at El Camino Real and Davey Glen.

Councilmember Stone reported on a recent Library JPA (Joint Powers Authority) meeting.

Councilmembers commented regarding Commute.org's recent commute survey.

Councilmember Braunstein reported on a recent C/CAG meeting and an Office of Emergency Services Council Meeting that he attended.

Verbal Report from City Manager

City Manager Scoles noted that the San Mateo County Mosquito and Vector Control District would be fogging an area of San Mateo County, including some of Belmont, to combat the West Nile virus. He announced that the Seres Regis Firehouse Square Exclusive Negotiating Agreement has been extended through March of 2015. He also pointed out that tax receipts increase 9.5% above last year.

ADJOURNMENT at this time, being 8:25 P.M.

**Terri Cook
City Clerk**

Meeting audio-recorded and videotaped

**REGULAR MEETING OF
DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT
Tuesday, September 23, 2014
CITY COUNCIL CHAMBERS, ONE TWIN PINES LANE**

**REGULAR MEETING
CALL TO ORDER 7:05 P.M.**

(Note: Belmont Fire Protection District meeting held concurrent with the City Council Meeting.)

ROLL CALL

BOARDMEMBERS PRESENT: Reed, Braunstein, Wright, Stone, Lieberman
BOARDMEMBERS ABSENT:

COMMENTS REGARDING CONSENT AGENDA ITEMS

Director Stone commended staff for the savings realized by selling excess fire equipment.

ITEMS APPROVED ON CONSENT CALENDAR

Minutes of the Regular Meeting of the Belmont Fire Protection District of September 9, 2014
Resolution 2014-017 of the Belmont Fire Protection District Authorizing a Purchase Order to L.N. Curtis & Sons in an Amount not to exceed \$5,640.75 for Firefighter EMS Jackets
Resolution 2014-018 of the Belmont Fire Protection District Authorizing Early Payoff of a Capital Lease for the Truck 14 in the amount of \$377,827.25 and a Supplemental Appropriation to the FY 2015 Budget.

ACTION: On a motion by Director Reed, seconded by Director Stone, the Consent Agenda was unanimously approved.

ADJOURNMENT at this time being 8:25 P.M.

**Terri Cook
District Secretary**

Meeting audio-recorded and videotaped.



STAFF REPORT

Meeting Date: October 14, 2014

Agenda Item #

Agency: City of Belmont
Staff Contact: Greg Scoles, City Manager, (650) 595-7408, gscoles@belmont.gov
Agenda Title: Motion to Cancel Regular Council Meeting of November 11, 2014
Agenda Action: Motion

Recommendation

Staff recommends that the City Council move to cancel the regular City Council meeting of November 11, 2014.

Background

Council Protocols permit the Council to cancel a meeting when the date for any regular meeting falls on a legal holiday, or a citywide election day. The Protocols state that that a regular meeting for that day shall be deemed canceled or rescheduled to an alternate date. The City Council must meet regularly at least once a month.

Analysis

November 11th, Veterans Day, is a Federal Holiday. At this time there are no items pending for the November 11th City Council agenda. Therefore, it is prudent at this time to consider cancelling this meeting.

Alternatives

1. Reschedule the meeting to a different date.

Fiscal Impact

- ☒ No Impact/Not Applicable
☐ Funding Source Confirmed:

Source:

- ☐ Council
☒ Staff
☐ Citizen Initiated
☐ Other*

Purpose:

- ☐ Statutory/Contractual Requirement
☐ Council Vision/Priority
☒ Discretionary Action
☐ Plan Implementation*

Public Outreach:

- ☒ Posting of Agenda
☐ Other*



STAFF REPORT

Meeting Date: October 14, 2014

Agenda Item #8D

Agency: City of Belmont

Staff Contact: Leticia Alvarez, Public Works Department, (650) 595-7469, lalvarez@belmont.gov

Agenda Title: Accepting a Donation from Merry Moppet Preschool for the Maintenance of Merry Moppet Lane

Agenda Action: Resolution

Recommendation

Adopt a resolution accepting a donation from Merry Moppet Preschool for the maintenance of Merry Moppet Lane and authorize a change order in the amount of \$43,500 for the 2014 Slurry Seal Project, City Contract Number 2014-524.

Background

Merry Moppet Lane is a narrow street serving as the main entrance to the school property. The existing pavement along the street is in poor condition and the City does not have an immediate plan to improve the roadway.

On March 11, 2014, the City Council considered a request from Merry Moppet School to acquire a portion of Merry Moppet Lane and provide direction to staff.

Options that were presented to the City Council for consideration included:

1. Negotiate sale of the half portion of the City owned roadway to the school, and abandon the right-of-way. This would release the City of future maintenance responsibility for Merry Moppet Lane.
2. Abandon the right-of-way, but lease the half portion of the City owned roadway to the school.
3. Negotiate sale of the half portion of the City owned roadway and the City owned adjacent real property to the school, and abandon the right-of-way.
4. Do not abandon the roadway, but negotiate sale of the City owned adjacent real property.
5. Do not abandon the roadway, but negotiate with the school to repair and maintain the roadway.

Council directed staff to explore those options with the requestor, and to bring back the requestor's preferred options for discussion at a later date.

Since that date, school representative have indicated an interest in providing maintenance to the street at the school's expense. School representatives understand that the City has limited funds for roadway maintenance, and have approached the City with an offer to donate \$43,500 for the maintenance of Merry Moppet Lane.

Analysis

The school funding the maintenance improvements would be consistent with option 5 discussed at the City Council meeting. The acceptance of the donation by the City would not obligate the City to the school other than to use the money for maintenance of Merry Moppet Lane. Merry Moppet Preschool has signed an Acknowledgement of the Terms and Conditions of the Pavement Maintenance Work on Merry Moppet Lane (Exhibit A to the attached Resolution) which delineates this understanding.

If the City Council accepts the donation to maintain Merry Moppet Lane, then staff recommends that the work be added to the existing 2014 Slurry Seal Project City Contract 2014-524.

Adding the Merry Moppet Lane pavement work would increase the contract authorization from \$361,000 to \$404,500 and a ten percent construction contingency.

Alternatives

1. Take No Action

Attachments

- A. Resolution

Fiscal Impact

☐ No Impact/Not Applicable

☒ Funding Source Confirmed: Change order amount would be paid to the City by the Merry Moppet School.

Source:

- ☐ Council
- ☒ Staff
- ☐ Citizen Initiated
- ☐ Other*

Purpose:

- ☐ Statutory/Contractual Requirement
- ☐ Council Vision/Priority
- ☒ Discretionary Action
- ☐ Plan Implementation*

Public Outreach:

- ☒ Posting of Agenda
- ☐ Other*

*

RESOLUTION NO. 2014-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT TO ACCEPT DONATION FROM MERRY MOPPET PRESCHOOL FOR THE MAINTENANCE OF MERRY MOPPET LANE AND AUTHORIZING A CHANGE ORDER IN THE AMOUNT OF \$43,500 FOR THE 2014 SLURRY SEAL PROJECT CITY CONTRACT NUMBER (CCN) 2014-524

WHEREAS, Merry Moppet Preschool representatives understand that the City has limited funds for roadway maintenance and have approached the City with an offer to donate \$43,500 for the maintenance of Merry Moppet Lane; and,

WHEREAS, the acceptance of the donation by the City would not obligate the City to the school other than to use the money for maintenance of Merry Moppet Lane and Merry Moppet Preschool has signed an Acknowledgement of the Terms and Conditions of the Pavement Maintenance Work on Merry Moppet Lane (Exhibit A) which delineates this understanding; and,

WHEREAS, The 2014 Slurry Seal Project City Contract 2014-524 is currently in construction and the maintenance work on Merry Moppet Lane can be added to the contract with a change order.

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1. Accept the donation of \$43,500 from Merry Moppet Preschool for the maintenance of Merry Moppet Lane.

SECTION 2. Increase contract authorization from \$361,000 to \$404,500 with a 10% contingency of \$40,400.

SECTION 3. Authorize a change order for the 2014 Slurry Seal Project CCN 2014-524, in the amount of \$43,500 for the maintenance work on Merry Moppet Lane.

* * *

ADOPTED October 14, 2014, by the City of Belmont City Council by the following
vote:

Ayes:

Noes:

Absent:

Abstain:

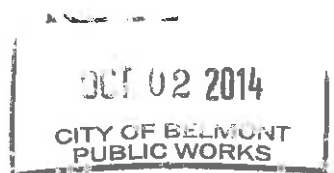
ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney



Acknowledgement of Terms and Conditions of the Pavement Maintenance Work on Merry Moppet Lane

By signing below you are acknowledging that the donation is being made with the following understanding:

Merry Moppet Preschool would like to donate \$43,500 to the City of Belmont for the maintenance of Merry Moppet Lane. Merry Moppet does not intend that the acceptance of the donation by the city create any obligation in the city to Merry Moppet School other than to use the money for maintenance of Merry Moppet Lane in the time and manner of the city's choosing.

Merry Moppet School understands and acknowledges that for any maintenance work paid for in whole or in part with the donated funds, the scope, performance and acceptance of the maintenance work will rest exclusively with the City.

Merry Moppet School will not be a beneficiary of any contract for the performance of such maintenance work, and that Merry Moppet School will have no right to control or participate in the work or the contracting process.

Acknowledged by Authorized Representative:

Name Jennifer Khoury
Title Asst. Executive Director
Date 10/2/2014



STAFF REPORT

Meeting Date: October 14, 2014

Agenda Item #8E

Agency: City of Belmont

Staff Contact: Gilbert Yau, Public Works Department, (650) 595-7467, gyau@belmont.gov

Agenda Title: Accepting a 10-Foot Wide Storm Drain Easement at 2609 and 2611 Monte Cresta Drive (APN 043-313-220 and 043-313-090)

Agenda Action: Resolution

Recommendation

Adopt a resolution accepting the dedication of a 10-foot wide storm drain easement on 2609 and 2611 Monte Cresta Drive (APN 032-313-220 and 043-313-090).

Background

On February 18, 2014, the Planning Commission approved the Single Family Design Review (SFDR) applications for the construction of single-family residences at 2609 and 2611 Monte Cresta Drive. The subject properties are located in a single-family neighborhood developed primarily with one and two-story homes.

During the plan check review process, it was discovered that a 30-inch diameter City maintained storm drain pipe is running through these two properties without recorded easements. The storm drain is collecting runoff from Sequoia Avenue and Monte Crest Drive. Easements are required to provide City the proper access to maintain and repair the existing storm pipe on the private properties.

Analysis

The developments at 2609 and 2611 Monte Cresta Drive are currently under construction. The property owner has prepared grants of easements which will be recorded at the County of San Mateo after the City Council's approval. Dedication of the storm drain easements are required as conditions prior to release of occupancy for the two homes.

Alternatives

1. Refer to staff for more information.
2. Take no action.

Attachments

- A. Resolution

Fiscal Impact

- ☒ No Impact/Not Applicable
☐ Funding Source Confirmed:

Source:

- ☐ Council
☒ Staff
☐ Citizen Initiated
☐ Other*

Purpose:

- ☒ Statutory/Contractual Requirement
☐ Council Vision/Priority
☐ Discretionary Action
☐ Plan Implementation*

Public Outreach:

- ☒ Posting of Agenda
☐ Other*

*

RESOLUTION NO. 2014-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT ACCEPTING A 10-FOOT WIDE STORM DRAIN EASEMENT AT 2609 AND 2611 MONTE CRESTA DRIVE (APN 043-313-220 AND 043-313-090)

WHEREAS, on February 18, 2014, the Planning Commission approved the Single Family Design Review (SFDR) applications for the construction of single-family residences at 2609 and 2611 Monte Cresta Drive; and,

WHEREAS, it is found that a 30-inch diameter City maintained storm drain is running through these two properties without recorded easements; and,

WHEREAS, dedications of the storm drain easements are required as conditions prior to release of occupancy for the two homes; and,

WHEREAS, the owner has prepared the deeds and legal descriptions required for these dedications.

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1. Accepts the dedication of storm drain easements from 2609 and 2611 Monte Cresta Drive (APN 043-313-220 and 043-313-090) as shown in Exhibits A, A1, B, B1 attached hereto and made a part hereof.

SECTION 2. Authorizes the City Manager to execute all deeds and documents related to the acceptance of these easement dedications.

* * *

ADOPTED October 14, 2014, by the City of Belmont City Council by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney

EXHIBIT A

**LEGAL DESCRIPTION – STORM DRAIN EASEMENT;
A PORTION OF ADJUSTED PARCEL 2, 2012-105830**

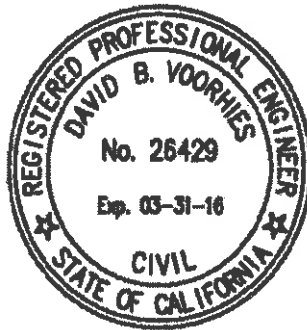
ALL THAT REAL PROPERTY SITUATE in the City of Belmont, County of San Mateo, State of California, consisting of a portion of Adjusted Parcel 2, as said Parcel is described in the Lot Line Adjustment recorded on July 26, 2012 as Instrument 2012-105830, described as follows:

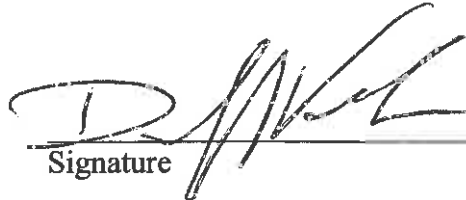
A ten foot wide strip of land, centered over an existing storm drain line traversing said Adjusted Parcel 2, the center line of said strip further described as follows:

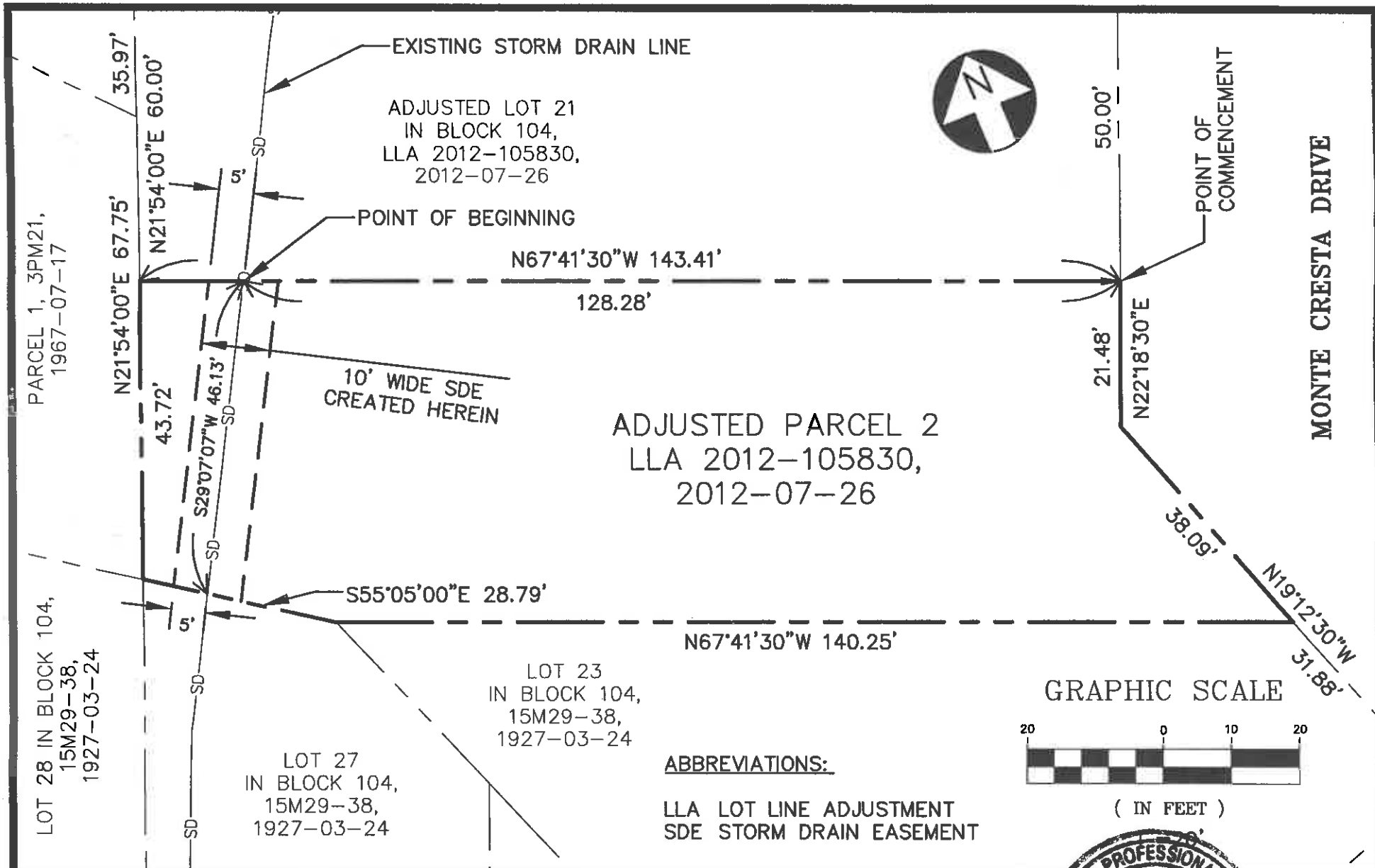
Commencing at the northeasterly corner of said Adjusted Parcel 2, said corner being the southeasterly terminus of the northeasterly line said to have a bearing and distance of North 67°41'30" West 143.41;

Thence along the said northeasterly line of said Adjusted Parcel 2, North 67°41'30" West 128.28 feet to the Point of Beginning of the center line of the land described herein;

Thence from said Point of Beginning, South 29°07'07" West 46.13 feet to the southwesterly line of said Adjusted Parcel 2 said to have a bearing and distance of South 55°05'00" West 28.79 feet, the outer edges of said ten foot wide strip of land to be extended to or trimmed from the southwesterly and northeasterly lines of said Adjusted Parcel 2 as appropriate, and the ten foot wide strip of land containing an area of 461 square feet, more or less.




Signature
8-18-2017
Date



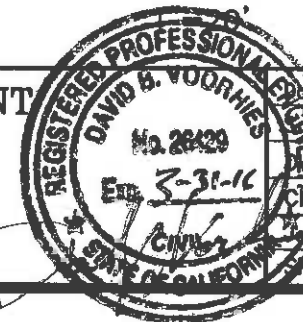
**UNDERWOOD &
ROSENBLUM, INC.**
civil engineers and surveyors

1830 Oakland Road Ste. A114 San Jose, Ca. 95131
Tel. No. (408) 453 1222 www.uandri.com

STORM DRAIN EASEMENT

ADJUSTED PARCEL 2

2609 MONTE CRESTA DRIVE
BELMONT CALIFORNIA



Date: 2014-08-12

Scale 1"=20'

Drawn by: TM

Checked: DV

No. J13084

Sheet 1 of 1

EXHIBIT B

LEGAL DESCRIPTION – STORM DRAIN EASEMENT; A PORTION OF ADJUSTED LOT 21 IN BLOCK 104, 2012-105830

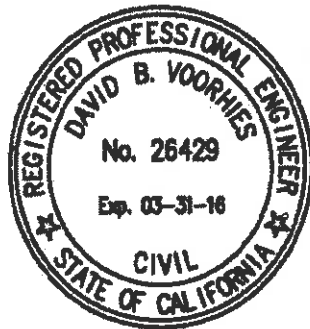
ALL THAT REAL PROPERTY SITUATE in the City of Belmont, County of San Mateo, State of California, consisting of a portion of Adjusted Lot 21 in Block 104, as said Lot is described in the Lot Line Adjustment recorded on July 26, 2012 as Instrument 2012-105830, described as follows:

A ten foot wide strip of land, centered over an existing storm drain line traversing said Adjusted Lot 21 in Block 104, the center line of said strip further described as follows:

Commencing at the most southerly corner of said Adjusted Lot 21 in Block 104;

Thence along the southwesterly line of said Adjusted Lot 21 in Block 104, North 67°41'30" West 128.28 feet to the Point of Beginning of the center line of the land described herein;

Thence from said Point of Beginning, North 29°07'07" East 60.42 feet to the northeasterly line of said Adjusted Lot 21 in Block 104 said to have a bearing and distance of North 67°41'30" West 28.84 feet, the outer edges of said ten foot wide strip of land to be extended to or trimmed from the southwesterly and northeasterly lines of said Adjusted Lot 21 in Block 104 as appropriate, and the ten foot wide strip of land containing an area of 604 square feet, more or less.



Signature

Date

8-18-2014

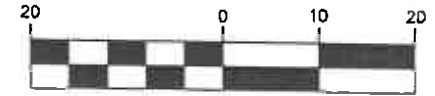
EXISTING STORM
DRAIN LINE

ADJUSTED LOT 3
IN BLOCK 104,
LLA 2012-105830,
2012-07-26

ABBREVIATIONS:

LLA LOT LINE ADJUSTMENT
SDE STORM DRAIN EASEMENT

GRAPHIC SCALE



(IN FEET)

1"=20'



LOT 20 IN
BLOCK 104,
14M69-72,
1926-12-24

28.84'
N67°41'30"W

N22°18'30"E
10.00'

N67°41'30"W 115.00'

10' WIDE SDE
CREATED HEREIN

ADJUSTED LOT 21
IN BLOCK 104,
LLA 2012-105830,
2012-07-26

35.97'

N21°54'00"E 60.00'

N29°07'07"E 60.42'

5'

5'

5'

5'

5'

5'

5'

5'

5'

5'

5'

5'

5'

5'

5'

5'

5'

5'

5'

5'

5'

5'

5'

5'

50.00'
N22°18'30"E

POINT OF COMMENCEMENT

MONTE CRESTA DRIVE

21.48'

128.28'
N67°41'30"W 143.41'

POINT OF BEGINNING

ADJUSTED PARCEL 2
LLA 2012-105830,
2012-07-26

PARCEL 1
3PM21,
1967-07-17

N21°54'00"E 67.75'

43.72'

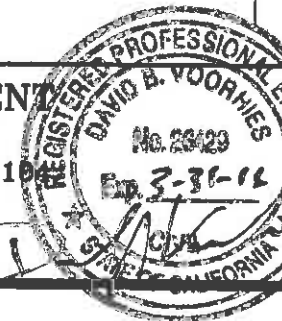


**UNDERWOOD &
ROSENBLUM, INC.**
civil engineers and surveyors
1630 Oakland Road Ste. A114 San Jose, Ca. 95131
Tel. No. (408) 453 1222 www.uandri.com

STORM DRAIN EASEMENT

ADJUSTED LOT 21 IN BLOCK 104

2611 MONTE CRESTA DRIVE
BELMONT CALIFORNIA



Date: 2014-08-12
Scale 1"=20'
Drawn by: TM
Checked: DV
Job No. J13064
Sheet 1 of 1



STAFF REPORT

Meeting Date: October 14, 2014

Agenda Item #

Agency: City of Belmont
Staff Contact: Scott Rennie, City Attorney (650) 595-7408, srennie@belmont.gov
Agenda Title: Biennial Update of Conflict of Interest Code
Agenda Action: Resolution

Recommendation

Adopt a resolution (Attachment A to this report) updating the City's conflict of interest code (1) to account for the addition, deletion, and modification of positions listed as "designated employees," (2) to revise the disclosure categories, and (3) to revise the assignment of positions to disclosure categories for consistency with the requirements of the Political Reform Act.

Background

The Political Reform Act (PRA) of 1974 requires, among other things, that local government agencies adopt and maintain a conflict of interest code. Like most cities, the City of Belmont has adopted a "model" conflict of interest code prepared by the Fair Political Practices Commission and codified in California Code of Regulations Title 2, Section 18730. The model code establishes substantive requirements for the disclosure of financial interests and disqualification of City employees and other officials from participation in decisions in which they might have a private, financial interest. Cities adopting the model code need only adopt an appendix containing a list of designated employees subject to the disclosure requirements and specifying the scope of interests those designated employees must disclose. The Political Reform Act requires cities to review their codes on at least a biennial basis (to be conducted each even numbered year) to insure that the code reflects the organization's current staffing.

The City of Belmont first adopted its Conflict of Interest Code in 1979 and has periodically reviewed and revised the code in accordance with the PRA. The City Council is the code reviewing body for the City of Belmont as well as the Belmont Fire Protection District, the Successor Agency to the Former Belmont Redevelopment Agency and Oversight Board to the Successor Agency. The City's code was last updated by the City Council in September 2012 by Resolution 2012-096.

Analysis

Designated Employees

Under the PRA, the city must identify each employee position within the City of Belmont, including the Belmont Fire Protection District, the Successor Agency, and the Oversight Board to the Successor Agency, which involves the making or participation in the making of governmental decisions which may foreseeably have a material effect on any financial interest of that employee. In addition, certain consultants to the city must also disclosure their financial interests because they make or participate in making governmental decisions on behalf of the local agency. The "Designated Employees" make these

disclosures on a form known as “Statement of Economic Interests, Form 700”.

Revisions to the appendix of designated employees are needed to account for the addition of positions that make or participate in making government decisions, the removal of positions that do not make or participate in making government decisions, and changes in listed position titles. The exhibit attached to the resolution included with this report reflects these changes.

For the Council’s information, you may note that the revised list of designated employees and officers exclude council members, planning commissioners, the city manager, the finance director, the city treasurer and the city attorney. These positions are not listed in the local code because they are already required by state law (Government Code Section 87200) to disclose their financial interests. To maintain this distinction, these positions are noted as “Code Filers” at the bottom of the revised appendix.

Disclosure Categories

The PRA identifies four basic types of financial interests that are subject to reporting by designated employees: (1) investments, (2) business positions, (3) sources of income and (4) real property interests. Under the Act, the city’s conflict of interest code must require designated employees to report those financial interests that may foreseeably be affected materially by any decision made or participated in by the designated employee by virtue of his or her position. The disclosure categories accomplish this requirement by matching the employee positions with the types of reportable financial interests that may be affected by the performance of the employee’s duties.

Combining of Existing Categories 1, 2, & 3. Existing disclosure categories 1, 2, and 3 require full disclosure of investments, interests in real property, and sources of income, respectively. Currently, categories 1, 2, and 3 are only applied as a group and cover most designated employees. For efficiency, the revised set of disclosure categories combines these three categories into a new “Category 1”, and eliminates language that duplicates or conflicts with state law. In addition, the new Category 1 includes reporting of business positions which appears to have been inadvertently omitted from the existing disclosure categories.

Elimination of Existing Categories 4 & 6. Existing disclosure categories 4 and 6 require disclosure of investments and sources of income, respectively. Although both categories are labeled as “less-inclusive”, the reporting obligation does not appear to be significantly different than the “all inclusive” reporting required by categories 1 and 3. Accordingly, categories 4 and 6 are eliminated. Positions previously required to report under these categories have been placed in new Category 1 or new Category 2 as appropriate.

New Category 2. A new “Category 2” is included to cover those designated employees who make or participate in making decisions pertaining to purchase contracts. Employees covered by this category will be required to report investments, business positions and sources of income from sources that provide the type of goods and services utilized by the city. Disclosure under this category is limited in scope in order to match the employee positions with the types of reportable financial interests that may be affected by the performance of the employee’s duties.

Elimination of Category 5. Previously, category 5 required limited reporting of real property interests. The only two positions previously covered by category 5 have been reassigned to Category 1. Category 5 is therefore eliminated as unnecessary.

With these amendments, the City's Conflict of Interest Code accurately reflects positions that may make or participate in making governmental decisions for the City.

Alternatives

1. Modify the list of designated positions, disclosure categories, or assignment of employee positions to disclosure categories.

Attachments

- A. Draft Resolution Amending the City of Belmont Conflict of Interest Code and Appendix
- B. Current Conflict of Interest Code Appendix

Fiscal Impact

- ☒ No Impact/Not Applicable
☐ Funding Source Confirmed:

Source:

- ☐ Council
☒ Staff
☐ Citizen Initiated
☐ Other*

Purpose:

- ☒ Statutory/Contractual Requirement
☐ Council Vision/Priority
☐ Discretionary Action
☐ Plan Implementation*

Public Outreach:

- ☒ Posting of Agenda
☐ Other*

*

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT REVISING THE CITY'S CONFLICT OF INTEREST CODE, UPDATING THE APPENDIX OF DESIGNATED EMPLOYEES AND AMENDING THE DISCLOSURE CATEGORIES

WHEREAS, under the California Political Reform Act, local government agencies must adopt a Conflict of Interest Code and designate the official and employee positions that must disclosure financial interests in conformance with the law; and,

WHEREAS, the Fair Political Practices Commission ("FPPC") has adopted a regulation, Title 2 California Code of Regulations Section 18730, which contains the terms of a model conflict of interest code which meets the requirements of the Political Reform Act; and,

WHEREAS, the California state legislature enacted Assembly Bill x1 26 (the "Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.); and,

WHEREAS, under the Dissolution Act, the Redevelopment Agency of the City of Belmont (the "Dissolved RDA"), was dissolved, and the City Council (the "City Council") of the City of Belmont (the "City") adopted a resolution declaring that the City would act as the successor agency (the "Successor Agency") for the Dissolved RDA; and,

WHEREAS, in an informal advice letter dated April 25, 2012, the FPPC has advised that cities which have become successor agencies to their dissolved redevelopment agency may amend their conflict of interest codes to cover designated employees of the Successor Agency; and,

WHEREAS, an Oversight Board to the Successor Agency of the Dissolved RDA ("the Oversight Board") was appointed under the provisions of the Dissolution Act; and,

WHEREAS, the Oversight Board is deemed a local entity for purposes of the Political Reform Act; and,

WHEREAS, under the Political Reform Act and regulations promulgated thereunder by the Fair Political Practices Commission of the State of California (FPPC), a newly established local entity is required to adopt a conflict of interest code; and,

WHEREAS, in the informal advice letter dated April 25, 2102, the FPPC further advised that cities which have become successor agencies to their dissolved redevelopment agencies are considered the code reviewing body for the oversight board and may either direct the Oversight Board to adopts its own conflict of interest code and submit the code for review by the City Council, or amend the City's conflict of interest code to cover the designated employees of the Oversight Board, and,

WHEREAS, the Belmont Fire Protection District is a subsidiary district of the City of Belmont, and the City Council is the code reviewing body for the Belmont Fire Protection District; and,

WHEREAS, the Belmont Fire Protection District has hired employees to provide fire services in the City of Belmont following the cessation of such services in October 2011 by the Belmont – San Carlos Fire Department, a joint powers entity comprised of the City of San Carlos and the Belmont Fire Protection District.

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1. The terms of California Code of Regulations Title 2, Section 18730 and any amendments duly adopted by the Fair Political Practices Commissions, together with the Appendix to the City of Belmont Conflict of Interest Code attached hereto as Exhibit “A” and incorporated herein, constitute the Conflict of Interest Code of the City of Belmont.

SECTION 2. Designated officials and employees must file statements of economic interest with the City Clerk for the City of Belmont who shall make the statements available for public inspection and reproduction in accordance with Government Code Section 81008 upon payment of the fees equal to the amount that the city is authorized therein to charge but not to exceed. The City Clerk shall retain statements for designated officials and employees.

SECTION 3. This resolution supersedes all previous resolutions adopting or amending the City’s Conflict of Interest Code including the following resolutions: 4471, 4881, 4961, 5013, 5045, 5149, 5744, 7197, 8367, 9319, 9618, 9813, 10055, 10292, 2012-096.

* * *

ADOPTED October 14, 2014, by the City Council of the City of Belmont by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney

Exhibit “A” to Resolution _____

APPENDIX
to
CITY OF BELMONT CONFLICT OF INTEREST CODE

A. Designated Officers and Employees and Categories of Reportable Financial Interests

<u>Position</u>	<u>Disclosure Categories</u>
Administrative Battalion Chief	1
Assistant Civil Engineer	1
Assistant City Manager	1
<i>(Belmont Fire Protection District Asst. District Manager)</i>	
Assistant Public Works Director/City Engineer	1
Associate Civil Engineer	1
Associate Planner	1
Battalion Chief	1
Building Inspector	1
Building Official	1
Chief of Police	1
City Clerk	1
<i>(Belmont Fire Protection District Secretary)</i>	
Consultants	1
Deputy City Attorneys	1
<i>(Belmont Fire Protection District Deputy Counsel)</i>	
Deputy City Clerk	2
<i>(Belmont Fire Protection District Deputy Secretary)</i>	
Deputy Finance Director	1
Deputy Fire Chief	1
Director of Parks and Recreation	1
Finance Commissioners	1
Fire Chief	1
GIS Coordinator III	2
Housing Specialist	1
Human Resources Director	1
Information Technology Services Director	1
Management Analyst	2
Members of the Oversight Board to the Successor Agency	1
Counsel to the Oversight Board to the Successor Agency	1
Park Manager	1
Parks and Recreation Commissioners (Adults)	1
Planning and Community Development Director	1
Police Captain	1
Police Lieutenant	1
Principal Planner	1

Public Works Director	1
Public Works Services Manager	2
Recreation Manager	2
Senior Civil Engineer	1
Senior Mechanic	2
Senior Planner	1
Tree Board	1

*Consultants are included in the list of designate officials and employees and must disclose under the broadest disclosure category in the Code subject to the following limitation:

The City Manager, or his/her designee, may determine in writing on a case by case basis that a particular consultant, although a designed position, is hired to perform a range of duties that is limited in scope and thus does not require compliance, or full compliance with disclosure requirements. Any such written determination shall include a description of the consultant's duties and a statement as to the extent of disclosure requirements. The City Manager may determine whether a contract consultant constitutes a "consultant" as defined in the Political Reform Act. The City Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

B. Code Filers

The following positions are not including in the list of designated employees as these positions are required to disclosure financial interests under Government Code Section 87200:

City Attorney (Belmont Fire Protection District Counsel)
City Council (Belmont Fire Protection District Board)
City Manager (Belmont Fire Protection District Manager)
City Treasurer
Planning Commissioners
Finance Director

C. Categories of Reportable Financial Interests

1. Full Disclosure. All real property located within the jurisdiction of the City of Belmont, as well as all investments, business positions, and sources of income including gifts, loans and travel payments.
2. Limited Disclosure - Contracting. All investments, business positions, and sources of income, including gifts, loans and travel payments, from sources that provide leased facilities, goods, services, equipment, vehicles, machinery, or services, including training or consulting services, of the type utilized by the City of Belmont.

APPENDIX OF
DESIGNATED OFFICERS AND EMPLOYEES

<u>Position :</u>	<u>Disclosure Categories:</u>
Assistant City Manager (Belmont Fire Protection District Asst. District Manager)	1, 2, 3
Assistant Public Works Director/City Engineer	1, 2, 3
Associate Civil Engineer	4, 6
Associate Planner	4, 6
Battalion Chief	1, 2, 3
Building Inspector	4, 6
Building Official	4, 6
Chief of Police	1, 2, 3
City Attorney (Belmont Fire Protection District Attorney)	1, 2, 3
City Clerk (Belmont Fire Protection District Secretary)	1, 2, 3
City Council (Belmont Fire Protection District Board)	1, 2, 3
City Manager (Belmont Fire Protection District Manager)	1, 2, 3
City Treasurer	1, 2, 3
Consultants	1*, 2, 3
Deputy City Attorneys (Belmont Fire Protection District Deputy Attorney)	1, 2, 3
Deputy City Clerk (Belmont Fire Protection District Deputy Secretary)	4, 6
Deputy Finance Director	1, 2, 3
Director of Parks and Recreation	1, 2, 3

Finance Commissioners	1, 2, 3
Finance Director	1, 2, 3
Fire Chief	1, 2, 3
Housing Specialist	1, 2, 3
Human Resources Director	1, 2, 3
Information Services Director	1, 2, 3
Management Analyst	4, 6
Oversight Board Members (to Redevelopment Successor Agency)	1, 2, 3
Park Manager	4, 6
Parks and Recreation Commissioners (Adults)	1, 2, 3
Planning and Community Development Director	1, 2, 3
Planning Commissioners	1, 2, 3
Police Captain	5
Police Lieutenant	5
Principal Planner	4, 6
Public Works Director	1, 2, 3
Public Works Services Manager	4, 6
Recreation Manager	4, 6
Senior Accountant (Accountant III)	4, 6
Senior Civil Engineer	4, 6
Senior Planner	4, 6
Tree Board	1, 2, 3

*Consultants shall be included in the list of designate officials and employees and shall disclose pursuant to the broadest disclosure category in the Code subject to the following limitation:

The City Manager, or his/her designee, may determine in writing on a case by case basis that a particular consultant, although a designed position, is hired to perform a range of duties that is limited in scope and thus does not require compliance, or full compliance with disclosure requirements. Any such written determination shall include a description of the consultant's duties and a statement as to the extent of disclosure requirements. The City Manager may determine whether a contract consultant constitutes a "consultant" as defined in the Political Reform Act. The City Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

CATEGORIES OF REPORTABLE ECONOMIC INTERESTS

Category 1. All-Inclusive Reportable Investments

A designated employee in this category shall disclose all reportable investments (worth more than \$2,000):

- (a) Owned by the designated employee, his or her spouse or dependent child;
- (b) Owned by an agent on behalf of the designated employee;
- (c) Owned by any business entity controlled by the designated employee (i.e., any business entity in which the designated employee, his or her agents, spouse and dependent children hold more than a 50% ownership interest);
- (d) Owned by a trust in which the designated employee has a substantial interest (i.e., a trust in which the designated employee, his or her spouse and dependent children have a present or future interest worth more than \$2,000);
- (e) Representing the pro rata share (worth more than \$2,000) of the designated employee, his or her spouse and dependent children, of investments of any

business entity or trust in which the designated employee, his or her spouse and dependent children own, directly, indirectly or beneficially, a 10% interest or greater.

"Investment" means any financial interest in or security issued by a City of Belmont-related business entity, including, but not limited to common stock, preferred stock, rights, warrants, options, debt instruments and any partnership or other ownership interest.

A business entity is "City of Belmont-related" if and only if the business entity or any parent, subsidiary or otherwise related business entity: i) has an interest in real property within the jurisdiction, ii) does business in the City of Belmont, or iii) did business or plans to do business in the City of Belmont at any time during the period commencing two years prior to and ending one year after the time the designated employee is required by this Code to file his or her next Statement of Economic Interests or to disqualify himself or herself with respect to a City of Belmont decision. (The term "parent, subsidiary, or otherwise related business entity" shall be construed as specifically defined by the Commission.)

No asset is deemed an "investment" unless its fair market value exceeds \$2,000.

The term "investment" does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, or any bond or other debt instrument issued by any government or government agency.

Category 2. All-Inclusive Reportable Interests in Real Property

A designated employee in this category shall disclose all interests (worth more than \$2,000) in real property located within the jurisdiction if the interests are:

- (a) Held or owned by the designated employee, his or her spouse and dependent child; or

- (b) The pro rata share (worth more than \$2,000) of interests in real property of any business entity or trust in which the designated employee or spouse owns, directly or indirectly or beneficially, a 10% interest or greater.

"Interest in real property" includes any leasehold, beneficial or ownership interest, or any option to acquire such an interest, in real property, but does not include the principal residence of the filer.

Real property shall be deemed to be "located within the jurisdiction" if the property or any part of it is located within or not more than two miles outside the boundaries of the City of Belmont or within two miles of any land owned or used by the City of Belmont.

Category 3. All-Inclusive Reportable Income

A designated employee in this category shall disclose all income of the designated employee for any City of Belmont-related source aggregating \$500 or more (or \$300 or more in the case of gifts) during the reporting period.

- (a) "Income" means, except as provided in subsection b), income of any nature from any City of Belmont-related source, including but not limited to any salary, wage, advance, payment, honorarium, award, gift, including any gift of food or beverage, loan, forgiveness or payment of indebtedness, discount in the price of anything of value unless the discount is available to members of the general public without regard to official status, rebate, reimbursement for expenses, per diem, or contribution to an insurance or pension program paid by any person other than an employer, and including any community property interest in income of a spouse from a City of Belmont-related source. Income of an individual also includes a pro rata share of any income of any City of Belmont-related business entity or trust in which the individual or spouse owns, directly, indirectly or beneficially, a ten percent interest or greater.

A source, business entity or trust is "City of Belmont-related" if and only if he, she or it: (i) resides in the jurisdiction, (ii) has an interest in real property within the jurisdiction, (iii) does business in the City of Belmont at any time during the period commencing two years prior to and ending one year after his or her next Statement of Economic Interests or to disqualify himself or herself with respect to a City of Belmont decision.

- (b) "Income" does not include:

(1) Campaign contributions required to be reported under Chapter 4 of the Act;

(2) Salary and reimbursement for expenses or per diem received from a state or local government agency and reimbursement for travel expenses and per diem received from a bona fide educational, academic or charitable organization;

(3) Gifts of informational material, such as books, pamphlets, reports, calendars or periodicals;

(4) Gifts which are not used and which, within thirty days after receipt, are returned to the donor or delivered to a charitable organization without being claimed as a charitable contribution for tax purposes;

(5) Gifts from an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, aunt, uncle, or first cousin or the spouse of any such person; provided that a gift from any such person shall be considered income if the donor is acting as an agent or intermediary for any person not covered by this paragraph;

(6) Gifts of hospitality involving food, beverages, or lodging provided to the designated employee, if such hospitality has been reciprocated within the filing period. "Reciprocity" as used in this subsection includes the providing by the designated employee to the host of any consideration, including entertainment or household gift of a reasonable similar benefit or value;

(7) Any devise or inheritance;

(8) Interest, dividends or premiums on a time or demand deposit in a financial institution, shares in a credit union or any insurance policy, payments received under any insurance policy, or any bond or other debt instrument issued by any government or government agency;

(9) Dividends, interest or any other return on a security which is registered with the Securities and Exchange Commission of the United States Government; and

(10) Loans by a commercial lending institution in the regular course of business.

(c) "Honorarium" means a payment for speaking at any event, participating in a panel or seminar or engaging in any similar activity. For purposes of this subsection, free admission, food, beverages and similar nominal benefits provided to a filer at an event at which he or she speaks, participates in a panel or seminar, or performs a similar service, and reimbursement or advance for actual intra-state travel and for necessary accommodations provided directly in connection with the event are not payment and need not be reported by the designated employee.

An honorarium must be reported as a gift unless it is clear from all of the surrounding circumstances that the services provided represented equal or greater value than the payment received. If it is clear from the surrounding circumstances that the services provided were of equal or greater value than the payment received, the honorarium is income, not a gift. When the designated employee claims that the honorarium is not a gift, he shall have the burden of proving that the consideration is of equal or greater value unless the designated employee is a defendant in a criminal action.

A prize or an award shall be disclosed as a gift unless the prize or award is received on the basis of a bona fide competition not related to the designated employee's official status. Prizes or awards which are not disclosed as gifts shall be disclosed as income.

Category 4. Less-Inclusive Reportable Investments

A designated employee in this category shall disclose those, and only those, Category 1 reportable investments which pertain to a business entity, a business activity of which is that of:

- (a) Providing within the last two (2) years, or foreseeable in the future, services, supplies, materials, machinery or equipment to the City of Belmont.
- (b) Conducting a business in the City of Belmont which requires a business license therefor pursuant to ordinances of the City.
- (c) Sale, purchase, exchange, lease or rental, or financing, for its own account or as broker, of real property or the development, syndication or subdivision of real property or construction thereon of buildings or structures.

Category 5. Less-Inclusive Reportable Interests in Real Property

A designated employee in this category shall disclose those, and only those, Category 2 reportable interests in real property where the property or any part of it is located within or not more than 500 feet outside the boundaries of the City of Belmont.

Category 6. Less-Inclusive Types of Reportable Income

A designated employee in this category shall disclose those, and only those types of Category 3 reportable income which are derived from a source, an activity of which is that of:

- (a) Providing within the last two (2) years, or foreseeable in the future, services, supplies, materials, machinery or equipment to the City of Belmont.
- (b) Conducting a business in the City of Belmont which requires a business license therefor pursuant to ordinances of the City.
- (c) Sale, purchase, exchange, lease or rental, or financing, for its own account or as broker, of real property or the development, syndication, or subdivision, of real property or construction thereon of buildings or structures.



STAFF REPORT

Meeting Date: October 14, 2014

Agenda Item #8G

Agency: City of Belmont

Staff Contact: Thomas Fil, Finance Director, (650) 595-7435, tfil@belmont.gov

Agenda Title: Engage The Lew Edwards Group for Communications Outreach and Consulting Services

Agenda Action: Resolution

Recommendation

Adopt a resolution authorizing the City Manager to execute a professional services agreement with The Lew Edwards Group to provide communications outreach and consulting services, in an amount not to exceed \$76,250, and approving a contingency of \$11,438.

Background

On April 9, 2013, Council held a strategic planning discussion which included an annual priority setting process to connect the City's Vision Statement with the Council Priorities and the City Budget. As part of that strategic planning session, City Council approved the Priority Work Plan for FY 2013-2014. Among the Priorities added to the Work Plan, Council directed staff to develop alternatives for long-term capital financing of Sewer, Storm, Streets, Facilities, and Parks Infrastructure to address these deferred maintenance needs.

On January 14, 2014, Council adopted Resolution No. 2014-012, establishing an Ad-Hoc Committee to select and oversee the services of a research firm to poll and evaluate community interest in revenue alternatives for this purpose, and authorizing the City Manager to negotiate and a service agreement to engage the selected research firm to perform revenue measure feasibility study.

After a thorough selection process, the Ad-Hoc Committee selected and engaged Godbe Research to perform the revenue measure feasibility study. The study was performed and completed in May, and a summary of the results was presented to the Ad-Hoc Committee on June 10, 2014. Based on the results of the study, Godbe recommended the City begin preparing for a revenue measure on a future election ballot.

Analysis

The Ad-Hoc Committee directed staff to solicit proposals to various public information consulting firms to provide public engagement services as a next step in the process. A selection team, consisting of the two Council Members from the Ad-Hoc Committee, reviewed and evaluated the submitted proposals and identified The Lew Edwards Group as the preferred outreach specialist.

Subsequently, the Ad-Hoc Committee met on October 1st to interview The Lew Edwards Group and to make their recommendation to Council.

The Lew Edwards Group ("LEG") has served as the City's outreach specialist in the past as part of the

Belmont Library information effort and provided superior service during that time. The Ad-Hoc Committee wishes to engage LEG to collaborate with the City again.

Staff requests that the City Council authorize the procurement of communications outreach and consulting services from The Lew Edwards Group as set forth in Exhibit A to the proposed resolution accompanying this report, in an amount not to exceed \$76,250. Considering the complexity of the topics to be addressed, an additional 15% contingency, or \$11,438, is also recommended, for a project total of \$87,688.

Alternatives

1. Deny the requested authority.
2. Solicit services from an alternative firm.
3. Continue the item for future discussion.

Attachments

- A. Implementing Resolution
- B. Exhibit A – The Lew Edwards Group Proposal

Fiscal Impact

- ☐ No Impact/Not Applicable
- ☐ Funding Source Confirmed: There are sufficient funds available in Account 101-1-501-8351 for this purpose.

Source:

- ☒ Council
- ☐ Staff
- ☐ Citizen Initiated
- ☐ Other*

Purpose:

- ☐ Statutory/Contractual Requirement
- ☒ Council Vision/Priority
- ☐ Discretionary Action
- ☐ Plan Implementation*

Public Outreach:

- ☒ Posting of Agenda
- ☒ Other*

*Infrastructure Ad-Hoc Committee Meeting – October 1, 2014

RESOLUTION NO. 2014-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT AUTHORIZING THE CITY MANAGER TO EXECUTE A SERVICE AGREEMENT WITH THE LEW EDWARDS GROUP FOR COMMUNICATIONS OUTREACH AND CONSULTING SERVICES IN AN AMOUNT NOT TO EXCEED \$76,250 AND APPROVING A CONTINGENCY OF \$11,438

WHEREAS, the City's long-standing commitment to both operating within its means and delivering high-quality service has necessitated the deferral of maintenance needs within the City's infrastructure (Sewer, Storm, Streets, Facilities and Parks); and,

WHEREAS, as part of the FY 2013-2014 Priority Work Plan, Council directed staff to develop alternatives for long-term capital financing of Sewer, Storm, Streets, Facilities, and Parks Infrastructure to address those deferred maintenance needs; and,

WHEREAS, on January 14, 2014, the City Council adopted Resolution No. 2014-012, establishing an Ad-Hoc Committee to select and oversee the services of a research firm to poll and evaluate community interest in revenue alternatives for this purpose; and,

WHEREAS, the Ad-Hoc Committee selected and engaged Godbe Research to perform the revenue measure feasibility study; and,

WHEREAS, based on the results of the revenue measure feasibility study, Godbe Research recommended that the City continue the process and reach out to the Belmont community in order to identify and meet the community's priorities; and,

WHEREAS, City staff solicited proposals from three qualified vendors to conduct this effort and the Ad-Hoc Committee determined The Lew Edwards Group was best qualified;

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1. The City Manager is authorized to negotiate and execute an agreement purchasing communications outreach and consulting services from The Lew Edwards Group as set forth in Exhibit A, for an amount not to exceed \$76,250.

SECTION 2. The City Manager is further authorized to approve amendments to the agreement for contingency items in an amount not to exceed \$11,438.

* * *

ADOPTED October 14, 2014, by the City of Belmont City Council by the following

vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney



*Proposal to Provide Communications
Outreach & Consulting Services –
Potential 2015 Revenue Measure*

City of Belmont

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October 1, 2014

To: City Manager Greg Scoles
City of Belmont

From: Catherine Lew, Esq.
President/CEO, The Lew Edwards Group

Re: Proposal to Provide Communications Outreach & Potential Ballot Measure Preparation Services

VIA EMAIL TRANSMISSION

INTRODUCTION

The Lew Edwards Group (LEG) would welcome a potential second partnership with the City of Belmont to build on our successful 2000 collaboration to transform Belmont Library.

Since our 2000 collaboration, The Lew Edwards Group has now enacted more than \$30 Billion with a 95% success rate for California revenue measures of all types, including enacted utility users tax (UUT) measures – a revenue option currently being considered by the City. The following are some of the many qualities LEG offers to the City of Belmont:

- ✓ Previous success at the 2/3s requirement level for the City of Belmont Library Community Facilities District Measure and enacted measures for the City of Burlingame and City of Millbrae at the simple majority and 2/3s requirement levels;
- ✓ Extensive experience on hundreds of California ballot measures of all types for local government, including 29 enacted Utility Users Tax measures;
- ✓ Nationally recognized, award-winning Community Outreach approaches; and
- ✓ A consensus-building management style, with enthusiastic and committed dedication to your City's needs, a must in highly engaged communities such as Belmont's.

LEG has partnered with Godbe Research on scores of successful revenue measures, making any transition into your project seamless for the consulting team.

EXPERIENCE & QUALIFICATIONS

The Lew Edwards Group, established in 1997, is the California leader in providing strategic communications and ballot measure preparation services to local governments throughout California. LEG prides itself on providing individualized, quality service to each of our clients. LEG's award-winning approaches have been recognized in the prestigious Pollie and Golden Paragon Awards for excellence and innovation. LEG represents local governments and public agencies throughout California.

LEG specializes in preparing cities and other local governments for ballot measures, which constitutes more than two-thirds of our practice. LEG clients include fire districts, counties, education districts, cities/towns and special districts throughout California. LEG principals and consultants are frequently called upon to appear at ballot measure training workshops on behalf of the **League of California Cities, Local Government Commission, California Society of Municipal Finance Officers, California Municipal Treasurers Association, and Municipal Management Association of Northern California**, among several others. In the last two months, 200 City Managers, City staff, and elected officials from city and special districts attended workshops co-convened by LEG to discuss our experiences and practices in transparent public communications and in enacting difficult revenue measures.

LEG's municipal clients include the cities of Arcadia, Artesia, Arvin, Bellflower, Belmont, Benicia, Beverly Hills, Burlingame, Campbell, Canyon Lake, Cathedral City, Ceres, Chico, Chino Hills, Cloverdale, Clovis, Coachella, Concord, Covina, Cupertino, Desert Hot Springs, Dinuba, Downey, El Cerrito, Elk Grove, Emeryville, Escondido, Fairfield, Fortuna, Galt, Gardena, Gilroy, Grover Beach, Half Moon Bay, Hanford, Hemet, Hercules, Hermosa Beach, Huntington Beach, Indio, Inglewood, Kingsburg, La Habra, La Mesa, La Mirada, Lathrop, Larkspur, Lawndale, Livermore, Long Beach, Lynwood, Los Banos, Manhattan Beach, Manteca, Marina, Millbrae, Moraga, Moreno Valley, Morro Bay, National City, Newark, Norwalk, Novato, Palm Springs, Palo Alto, Pasadena, Pico Rivera, Pinole, Porterville, Rancho Cordova, Rancho Cucamonga, Rancho Santa Margarita, Redondo Beach, Reedley, Ridgecrest, Riverside, Rohnert Park, Rolling Hills Estates, San Juan Capistrano, Saratoga, San Leandro, San Luis Obispo, San Juan Capistrano, San Ramon, Sanger, Santa Cruz, Santa Fe Springs, Santa Maria, Santa Monica, Sausalito, Seal Beach, Seaside, Selma, Stanton, Stockton, South Pasadena, South San Francisco, Tracy, Union City, Vallejo, Visalia, Vista, West Hollywood, and Wildomar, among others.

Utility Users Tax (UUT) Experience

LEG's UUT clients include the following 29 successfully enacted or protected measures, a strong standard by any measure:

City of Bellflower (2 UUTs)	ENACTED
City of Cathedral City	ENACTED
City of Cupertino	ENACTED

City of Desert Hot Springs	ENACTED
City of Dinuba	ENACTED
City of Elk Grove	ENACTED
City of Emeryville	ENACTED
City of Gardena	ENACTED
City of Grover Beach	ENACTED
City of Hercules	ENACTED
City of Hermosa Beach	ENACTED
City of Huntington Beach	ENACTED
City of Indio	ENACTED
City of Inglewood	ENACTED
City of La Habra	ENACTED
City of Lawndale	ENACTED
City of Newark	ENACTED
City of Pasadena	ENACTED
City of Pinole	ENACTED
City of Redondo Beach	ENACTED
City of Santa Cruz	PROTECTED against attempted repeal
City of Santa Fe Springs	ENACTED
City of Seaside	PROTECTED against attempted repeal
City of Santa Monica	ENACTED
City of South Pasadena	ENACTED
City of Stockton	ENACTED
City of Torrance	ENACTED
City of Vallejo	ENACTED

LEG's current UUT clients for 2014 include the cities of Artesia, Canyon Lake, Cloverdale, Norwalk, and Seal Beach, among several other clients.

LEG is also the California Sales Tax Leader, having enacted 52 enacted sales tax measures, renewals and re-authorizations. However, as a sales tax funding mechanism may or may not generate adequate funds for the City, the specific list of LEG's enacted sales tax measures is contained in the Appendix to this Proposal.

San Mateo County Experience

As the Consultant for the City's previous Library Ballot Measure, LEG developed a community outreach program which engaged 700 stakeholders and city residents, adding timely value to historic efforts to transform the **Belmont Library** with an \$8.65 Million CFD Measure.

A highly successful program was also implemented in the **City of Millbrae** to support its successful efforts to enact a 2/3s requirement \$10.6 Million Library Bond Measure. Hundreds of library stakeholders were identified, engaged and involved during the Public Engagement Program –

ranging from participation in City Library needs assessment workshops, community tabling and presentations. LEG's hallmark two-way interactive mail program solicited comments, input, and communitywide conversation during the Engagement Program to ensure a high level of community awareness and buy-in.

The **City of Burlingame** turned to the LEG team for assistance in passing a successful Special Assessment in May 2009, during the height of concerns about the economy. LEG created a highly successful Public Engagement Process which included informational Speakers Bureau Outreach, the engagement of a Citizens Advisory Committee, and legally permissible direct mail pieces which became the "buzz" in the community for their eye-catching and effective messages.

When the **City of South San Francisco** needed some strategic consulting to achieve tax equity in the application of its Business License Tax, the City tapped LEG for professional assistance to support its long-term discussions and negotiations with large corporate interests in the community, including updating city residents through direct mailings and other techniques.

ASSIGNED PROJECT PERSONNEL

If retained by the City to represent its revenue planning needs again, the City can count on the direct participation of the Senior Executives of the firm.

Catherine Lew, Esq.

President and CEO, The Lew Edwards Group

Catherine Lew, co-founder and President/CEO of The Lew Edwards Group, is a premier consultant in California providing revenue measure preparation, project management, and communications services to cities, counties, special districts, transportation, K-12 school and community college districts, and other public agencies, as well as private sector and nonprofit clients.

Lew has more than 30 years of experience in the communications and political arena. She is a veteran of more than 600 political campaigns or ballot measure preparation projects, specializing in difficult to pass tax measures. Selected clients represented by Lew include the San Mateo County cities of **Belmont, Millbrae, and South San Francisco**, and the UUT cities of Cupertino, Emeryville, Pinole, and Vallejo among many others.

Under Lew's strategic direction, The Lew Edwards Group has enjoyed seventeen years of success in representing scores of public agencies that need professional advice and lead consulting services when placing a proposal before voters. The firm has passed more than \$30 Billion in California tax, bond, assessment and revenue measures, with a 95% success rate. Lew prides herself on her firm's excellent service to each and every client, diverse agencies and organizations that range dramatically in size and scope of strategic needs.

In addition to passing tough revenue measures in jurisdictions that have suffered multiple election disappointments – and defeating taxpayer-initiated challenges to existing revenue measures – Lew has earned a reputation as one of the state’s toughest tacticians on behalf of local government.

A graduate of the University of California, Berkeley and the University of San Francisco School of Law, is also a member of the California State Bar, ensuring excellent team collaboration with client city attorneys to review strategies and collaterals for legal permissibility.

Bonnie Jean von Krogh

Managing Director, The Lew Edwards Group

Bonnie Jean von Krogh, Managing Director of The Lew Edwards Group, brings a strong background in revenue measure planning, successful sales and parcel tax measures, media relations, communications and policy writing to her clients. Ms. von Krogh has been with the firm for years over many election cycles, and is part of the leadership team in the firm.

An outstanding facilitator, outreach and media specialist, von Krogh has directed scores of complex and challenging feasibility and communications projects throughout California for The Lew Edwards Group. In the greater Northern California region, von Krogh has represented the cities of Burlingame, Newark (UUT), Pasadena (UUT), Dublin and San Leandro among many other projects.

Offering extensive experience and expertise in public agency communications, von Krogh has aided public agencies and clients represented by The Lew Edwards Group in developing effective print and electronic media message campaigns, creating communications programs to support coalition building, engaging in message and media training, and advising on how to address “new media” or rapid response needs.

Prior to joining The Lew Edwards Group, von Krogh served on a national presidential campaign’s advance staff, specifically working with the national traveling press corps and local media outlets. She has also worked as a freelance writer and researcher contributing to technology and biotech journals at a bioinformatics startup.

SELECTED CLIENT REFERENCES

City of Burlingame

City Manager Lisa Goldman

650-558-7204

lgoldman@burlingame.org

SUCCESSFUL Storm Drain Fee

City of South San Francisco

Director of Finance Jim Steele

650-877-8505

jim.steele@ssf.net

Communications Consulting

City of Cathedral City
City Manager Charlie McClendon
760-770-0372
cmclendon@cathedralcity.gov

**SUCCESSFUL NEW UUT
and SUCCESSFUL Sales Taxes (2)**

City of Santa Fe Springs
City Manager Thaddeus McCormack
562-409-7510
tmccormack@santafesprings.org

**SUCCESSFUL NEW UUT
and SUCCESSFUL Oil Barrel Tax**

RECOMMENDED SCOPE OF WORK

Project Management

To ensure that the City of Belmont is effectively positioned for its revenue measure planning, LEG will provide overall strategic direction and project management to support the efforts of City staff and the Ad Hoc Committee. LEG prides itself on a team building approach and for most cities, typically facilitates the Project Planning for effective and tailored deployment on all benchmarks during the planning process.

LEG will initiate its efforts through a Kick Off meeting and schedule subsequent, consistent planning teleconferences with the City. With the input of all participants, LEG can assist in developing meeting agendas, facilitate sessions, and facilitating the timely deployment of all tasks and assignments. LEG's planning efforts throughout the process are designed to use the City's time efficiently and well, while providing important Project Management leadership and management to ensure that all timetables and benchmarks are met within the necessary timeframe.

LEG approaches its leadership role with personal dedication, enthusiasm, and a commitment to excellent service, recognizing that our ultimate consumer is not only the City of Belmont, but also most importantly, the constituents the City represents.

Communications and Community Engagement

In highly engaged communities such as Belmont's, a program tailored to the City's current service vision and tradition of stakeholder and community engagement is key. LEG typically enjoys developing a tailored outreach engagement approach in tandem with the City. This approach worked well in our previous collaboration with the City of Belmont, when 700 new people "joined the conversation" and added value to the long-standing efforts of Library boosters.

LEG's recent practices on behalf of our UUT cities have included the following:

Outreach Goals

1. Develop messages that effectively inform and respond to questions from the public
2. Provide structure and copy for informational communications materials to educate residents about the needs and engage stakeholders
3. Implement an earned (non-paid) media press and Internet/social media strategy to highlight the services or projects at stake, budget realities and challenges
4. Implement an Communications Outreach direct mail program to the public-at-large to highlight budget realities, needs, proposed projects, and other relevant facts

Refine Key Messages

The Outreach Communications Program is a critical method of educating the public and raising awareness of the needs.

In reviewing the City's Godbe Research topline results, it is clear that the City continues to enjoy favorability ratings that are the envy of other cities, with favorable ratings in the 70 percentiles. The top themes resonating with respondents included:

- Fiscal Accountability
- Local Control over Local Funds—NO money for Sacramento

The top service priorities resonating with respondents included:

- Maintaining 9-1-1 emergency response times
- Fixing infrastructure: streets, sidewalks, storm drains
- Maintaining parks, open space, and sports fields
- Maintaining after-school and senior programs

As "message discipline" and a clear, concise focus are critical to an effective Ballot Measure Preparation and Outreach Communications effort, LEG will refine themes, message and talking points for City use consistent with the findings of the Godbe Research study. Any information provided to the public is factual, not advocacy, and approved by the City Attorney. As a member of the California State Bar, I have enjoyed an exceptional working relationship with our client attorneys who review the information provided in all City-sponsored materials for legal permissibility.

To protect all available options to the City and be able to assess community reactions during our engagement process, it is critical that the City not prematurely box itself into a specific tax threshold. Doing so may prevent the City's ability to make adjustments to its planning later in the process, and undue discussion or focus on a specific funding mechanism (e.g., "sales tax" vs. "UUT") will prematurely and unnecessarily polarize or politicize the process, when we need to be focusing on vision, services, and needs.

Direct Mail Component

As we did in our previous collaboration, LEG recommends that an informational direct mail communications program be implemented to the public-at-large. Doing so will raise awareness beyond “insiders” or already-active stakeholders, to the silent majority. LEG also recommends fully utilizing all Internet or Web-based communications vehicles. Typically three-six mailers have been implemented on behalf of our other clients within the project period the City has available, depending on whether the City will be continuing its permissible efforts up until Election Day.

LEG manages our mail production vendors (printers, mailhouse, graphics) to achieve an excellent collaboration with the City and its City Attorney, who approves each mailer as being legally permissible. LEG’s award-winning team of production experts are highly skilled in legally permissible agency communications products and have collaborated with our team since the firm was established.

As in our past collaboration with the City, LEG continues to feel that “interactive” communications are highly effective and necessary in a community like Belmont’s.

Speakers Bureau and other Communications Outreach Vehicles

LEG will also work with the City to maximize use of community television, and an informational Speakers’ Bureau program strategically directed to key City stakeholder organizations. LEG will develop materials that deliver an effective informational message and train City staff, officials and key stakeholders on delivering the message within a ballot measure preparation context.

Engagement with Stakeholders/Key Influentials

LEG has worked successfully in other municipalities to engage the participation of External Opinion Leaders and Community Stakeholders such as business leaders, representatives of senior, parents, civic leaders, and even taxpayer advocates in a high-level Roundtable that serves as an informal stakeholder sounding board to provide additional input to the process. We look forward to discussing with the City whether you would also find this strategy helpful, in light of the fact that you are also utilizing an Ad Hoc Committee to implement your revenue measure planning.

Press Coverage

LEG will review earned (non-paid) local media press opportunities with City staff. Balanced or positive press coverage will build additional awareness throughout the process – critical to engaging community stakeholders and informing your public about your needs and the measure.

Updating the City's Godbe Research in 2015

Based on Best Practices LEG and Godbe Research have implemented for our other joint clients our firm feels comfortable recommending that the City wait until July of 2015 to conduct a "tracking" survey to provide the City Council with a fresh re-assessment following months of extensive community education and engagement.

LEG's protocol is for our clients to conduct their tracking surveys immediately following the 4th of July weekend holiday for any given November election, if proceeding with a ballot measure.

Structuring Your Ballot Proposal Language

LEG typically collaborates with the City Attorney and City staff on the proper and recommended wording and structure of your selected revenue measure, to address the public's concerns, if any, and to take into account any important findings from the tracking survey. In addition, LEG will work closely with the City Attorney to refine the ballot question and develop other submittals so that they are understandable to the average person. This addresses specific documents such as the measure ordinance, ballot question, resolution, and corresponding staff reports.

Rapid Response

LEG will redirect message points and materials to assist in rapid response to problematic media or citizen inquiries as necessary. Frequently, communities that pride themselves on having active stakeholder groups can, at times, be prone to being victims of inaccurate information, or controversy-based media coverage. LEG experts will be available to craft appropriate rapid responses as necessary to address changing external nuances.

Role of the City and Post-Placement Services

It is important for the City to understand that these types of General Fund Revenue Measures are dramatically different from library, school facility, public safety or other "special purpose" measures where there is a built-in constituency to provide advocacy information following an agency's placement of a funding measure on the ballot.

In 2000, LEG's relationship with the City of Belmont reached its natural conclusion following placement of the CFD Library measure on the ballot, and an independent campaign committee successfully campaigned for its passage, which is the common model for those types of measures.

However, in the General Fund Revenue UUT and Sales Tax Measures overseen by LEG, this is a highly unusual model simply because these types of measures are on the ballot during regularly scheduled City Council elections and due to the "general" nature of the measures. The fact that measure boosters are often Council members who must attend to their own campaigns, the recession's effects diminishing campaign fundraising, and the fact that there is no built-in

constituency means that our cities are providing legally permissible information and engagement through Election Day, not merely up to placement of the measure on the ballot.

LEG's current UUT and Sales Tax cities that are on the ballot this November are all planning a second round of informational mailings and activities approved by their respective city attorneys through Election Day. Nevertheless, in the interest of teamwork and pending our conversation with the City, these post-placement activities will be noted as optional in our fee proposal.

SAMPLE TIMELINE

City Ballot Measure Preparation and Educational Outreach Program SAMPLE NOVEMBER 2015 TIMETABLE	
NOVEMBER -DECEMBER 2014	PHASE ONE: CONDUCT ASSESSMENT, DEVELOP STRATEGIC PLAN <ul style="list-style-type: none"> <input type="checkbox"/> Select Consultant and formalize relationship (City) <input type="checkbox"/> Review City's 2014 Election Results and current demographics, budget, other historical background information <input type="checkbox"/> Confer with Godbe Research <input type="checkbox"/> Convene Team Kick Off Planning Meeting <ul style="list-style-type: none"> --Conduct SWOT (Strengths, Weaknesses, Opportunities, Threats) <input type="checkbox"/> Recommend Strategic Plan and Project Budget <ul style="list-style-type: none"> --Recommend Communications Messages and Themes --Refine Project Calendar and Task List --Obtain consensus on project approach <input type="checkbox"/> Prepare to Launch Outreach in January 2015 <ul style="list-style-type: none"> --Refine data base of opinion leaders (City) --Develop Speakers' Bureau Toolkit --Identify Speakers' Bureau Hit List (City) --Conduct Message Training
JANUARY - JUNE 2015	PHASE TWO: LAUNCH & IMPLEMENT 2015 EDUCATIONAL OUTREACH ACTIVITIES <ul style="list-style-type: none"> <input type="checkbox"/> Update City Website with appropriate Messaging <input type="checkbox"/> Implement Earned/Social Media <ul style="list-style-type: none"> --Ongoing media presence --Ongoing updates on cable scroll/community TV --Ongoing updates on Facebook, Twitter, other <input type="checkbox"/> Launch Community Speakers' Bureau (City) <ul style="list-style-type: none"> --Continue to assess responses <input type="checkbox"/> Develop and implement collateral materials <ul style="list-style-type: none"> --Produce/distribute Opinion Leader /Stakeholder Letters (three) --Implement two citywide mailers --YouTube video(s) <input type="checkbox"/> Routinely update Council as appropriate and methodically

	<p>embed information and messaging in staff reports, including the City Budget</p> <ul style="list-style-type: none"> <input type="checkbox"/> Develop Tracking Survey Questionnaire
JULY –MID AUGUST 2015	<p>PHASE THREE: PREPARE FOR MEASURE PLACEMENT</p> <ul style="list-style-type: none"> <input type="checkbox"/> Conduct Tracking Survey and analyze results <input type="checkbox"/> Prepare revenue ballot measure documents’ <ul style="list-style-type: none"> --City staff report/recommendations --Resolution --Ordinance <input type="checkbox"/> Build momentum for City Council Adoption vote <input type="checkbox"/> If feasible to proceed, Council acts to place Measure on November ’15 Ballot at end of July/first week in August <input type="checkbox"/> Submit City election materials to County Elections Office by first Friday in August <input type="checkbox"/> Implement citywide mailer announcing placement of measure on the ballot <input type="checkbox"/> Issue Opinion Leader/Stakeholder Letter announcing placement of the measure on the ballot <input type="checkbox"/> Update City website and informational vehicles with legally permissible ballot information <input type="checkbox"/> Implement Earned/Social Media <input type="checkbox"/> Implement Rapid Response <input type="checkbox"/> Develop/submit Impartial Analysis (City Attorney) <input type="checkbox"/> Ballot arguments pro/con are submitted <p><i>The City may continue its legally permissible informational outreach, but cannot engage in any partisan activities</i></p>
MIDAUG-NOV 2015	<p>PHASE FOUR: OPTIONAL POST-PLACEMENT ACTIVITIES</p> <ul style="list-style-type: none"> <input type="checkbox"/> Update Speakers Bureau Toolkit with Measure Information <input type="checkbox"/> Identify and schedule second rounds of community presentations (City) <input type="checkbox"/> Issue Opinion Leader Updates in September and October <input type="checkbox"/> Continue to update information in routine City communications vehicles <input type="checkbox"/> Implement Social/Media Communications as appropriate: Draft tweets, Facebook copy, selected media placements <input type="checkbox"/> Implement three citywide Informational Mailers <input type="checkbox"/> Implement Rapid Response as needed <p>ELECTION DAY</p> <ul style="list-style-type: none"> <input type="checkbox"/> Create two-way talking points <input type="checkbox"/> Thank the community either way

PROPOSED PROFESSIONAL FEES

Consistent with our past collaboration, without exception LEG does not charge on an hourly or time and materials basis. LEG professional fees do not include actual project costs such as postage,

printing, graphics or additional Godbe Research polling. As a potential returning client of our firm, LEG proposes the following professional fees, which constitute a significant discount of our standard fee of \$5,000/month:

Phase One: Launch Efforts, Conduct SWOT Assessment, Prepare and Build Consensus on Strategic Plan this calendar year	\$5,000
--	---------

Phase Two: Consult with City to Implement Community Engagement; monthly retainer of \$4,166.66 per month January through June	\$25,000
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Phase Three: Collaborate with Godbe Research, independently assess tracking survey results, assist in development of Ballot Measure materials	\$7,500
---	---------

Optional Phase Four: If desired by City, post-placement informational activities August 15 th -Election Day	\$10,000
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Summary of Professional Fee Bid

Develop Plan in 2014:	\$5,000
Engage the Community (6 months)	\$25,000
Assess Tracking Survey, Develop Measure	\$7,500
Total Fees 2014 –August 15th 2015:	\$37,500*

**In consideration of the fact that the City would be a returning client of LEG's these rates have been discounted. This fee does not include optional Phase Four services if desired by the City following measure placement. Should post-placement consulting be desired, an additional \$10,000 should be added to the total above.*

Additional Project Costs

In addition to professional fees, LEG recommends that the City budget \$5,750 per informational mailing, inclusive of graphics, data, mailhouse, and bulk postage. Three to five informational mailings are recommended throughout the project period.

CONCLUSION

In closing, LEG would like to thank the City of Belmont for considering our firm to meet your needs again. Few consultants can match our firm's track record for enacted UUTs and Sales Tax measures. The Lew Edwards Group would welcome a collaboration with you and the City.

APPENDIX



Common Questions About Measure A

Q
A

What is a Utility Users Tax?

The UUT is a tax on certain utility bills. Since 1984, residents of Emeryville pay a UUT on electric, gas, and telephone. Like many other California cities, Emeryville uses this funding to provide services such as park maintenance, police, fire and emergency services.

Q
A

What has changed?

Over the past 23 years, communications technology has changed. To keep pace with technology advances, and comply with the law, the City must modernize its UUT language and ratify the existing rate so all taxpayers are treated the same regardless of the technology used today.

Q
A

How will the City address these changes?

The City Council has placed Measure A on the November 2007 ballot to make these technical changes. This is not a new tax and the rate will not increase.



Q
A

What will Measure A do?

Measure A would simply extend the existing 23-year Utility Users Tax with no increase to the tax rate.



Q
A

Why do we need the UUT?

Revenues from the UUT are used to maintain parks, fund police/fire/emergency services, improve programs for children and families, upgrade flood protection and storm drains, remove litter and graffiti, and fund other important City services affecting our quality of life.



CITY OF EMERYVILLE
1333 Park Avenue
Emeryville CA 94608



CITY OF EMERYVILLE



- The revenue from the existing UUT provides funding for city parks—including maintenance at Marina Park, Stanford Avenue Park and Temescal Creek Park—and for police, fire and emergency services.
- Quality open space and parks for our children and residents make Emeryville a livable community.
- Measure A enables Emeryville to continue effectively funding essential services for the public.

For more information about Measure A, please contact:
Karen Hemphill
City Clerk/Assistant to the City Manager
Fax: 510-596-3724

Important Information about Measure A



MEASURE L is Local

- By law, Measure L must be spent locally in Newark
- Measure L funds cannot be taken by the State to balance its budget
- Measure L provides Newark with a reliable local revenue source for essential city services
- Measure L will sunset in six years

Measure L includes annual independent financial audits and reports to the community to monitor spending and keep the City accountable for how funds are spent.

FACTS ABOUT MEASURE L

Dear Neighbor:

On August 5th the Newark City Council placed Measure L, the Newark Vital Services Measure, on the November 3, 2009, ballot to prevent severe cuts to critical Newark city services.

Existing local revenues are insufficient to address Newark's services needs, and the State has recently taken almost \$1.2 million from the City. Measure L is a utility users tax that creates a local revenue source for Newark city services that cannot be taken by the State.

Measure L will prevent severe cuts to Newark's general city services, such as:

- Police officers, patrols, and crime prevention
- Anti-gang and drug prevention programs
- Fire protection and 9-1-1 emergency services
- Senior services and health programs
- Programs for children and teens
- Street maintenance and pothole repair



We have received a number of questions from the public on Measure L. This information is being provided so that you can make an informed decision on Measure L. For further information, you may visit the city's website at www.newark.org.

Sincerely,

John Becker, City Manager



City of Cloverdale
124 N. Cloverdale Blvd.
Cloverdale, CA 95625

Postnet
Standard
U.S. postage
PAID
AdMail

Frequently Asked Questions About Measure O

Dear Neighbor:

I wanted to update you on Cloverdale's financial situation and Measure O.

Cloverdale has implemented numerous budget cuts, including reducing the number of City employees by over 20%, freezing salaries for the past six years, reforming pensions, and closing City Hall on Fridays. Unfortunately, though the City has been fiscally responsible, we concluded that additional budget cuts would be necessary if a locally-controlled revenue source wasn't identified.

In recent years, Sacramento lawmakers have been siphoning off funds traditionally sent to cities to address their own budget. That's why the Cloverdale City Council unanimously acted to place Measure O on our November 2014 ballot—to give our City a guaranteed source of local funding that cannot be taken by Sacramento or Washington.

If enacted, local Measure O will help address the following community priorities:



- Preventing cuts to 9-1-1 emergency response services and police dispatchers
- Preventing and investigating violent crimes and property crimes, like thefts and burglaries
- Maintaining programs that promote businesses and jobs to locate in Cloverdale
- Enhancing the fiscal stability of Cloverdale
- Maintaining street maintenance and pothole repair services

For more information, please visit our City's website at www.cloverdale.net.

Sincerely,

Paul Cayler
PAUL CAYLER
Cloverdale City Manager

Frequently Asked Questions About Measure O

Q: What is Measure O?

A: Measure O asks voters to consider a 3% utility users tax to provide locally-controlled funding and maintain Cloverdale's essential City services. Measure O will ensure our tax dollars are spent locally, maintain critical community services such as 9-1-1 emergency response services and police dispatchers. If enacted, Measure O will sunset in eight years. Measure O will provide a guaranteed source of local funding that cannot be taken by Sacramento or Washington.

Q: Doesn't the City already have money for these priorities?

A: No. And in 2006, Cloverdale ended the City's UUT during a healthy economy when it was no longer needed. Unfortunately, like many others in California, Cloverdale is now facing serious budget challenges. Measure O helps ensure Cloverdale's fiscal stability by providing a locally-controlled source of revenue.

Q: Will Measure O help keep Cloverdale safe?

A: Yes. Measure O provides additional funding to prevent even deeper reductions in the number of police officers patrolling our neighborhoods, ensuring our Police Department has the resources it needs to keep Cloverdale safe.

Q: What community priorities will Measure O address?

A: Measure O will help protect the services that our community has said are important, including:

- ✓ Preventing cuts to 9-1-1 emergency response services and police dispatchers
- ✓ Preventing and investigating violent crimes and property crimes, like thefts and burglaries
- ✓ Maintaining programs that promote businesses and jobs to locate in Cloverdale
- ✓ Enhancing the fiscal stability of Cloverdale
- ✓ Maintaining street maintenance and pothole repair services

To learn more about Measure O, please visit www.cloverdale.net.



Welcome to the City of
Santa Fe Springs

Community Fiscal Update Information about Measure S



Santa Fe Springs Fiscal Challenges

- The recession and recurring State takeaways of local funds have impacted the City's ability to provide quality services to its residents.
- The historic downturn in the economy and the loss of revenues has eroded our local economy.
- In order to continue to provide the high quality of services additional revenue will be needed.



Fiscal Stewardship

- The City has been a prudent fiscal steward and has properly managed the budget including revenue and expenditures.
- The City of Santa Fe Springs has been recognized by the Municipal Finance Officers Association for fiscal stewardship.
- The City is dedicated to controlling costs in any way we can. We want to continue to provide excellent service to the residents of Santa Fe Springs.



Tightening our Belts

- To address budget shortfalls over the City has generated more than \$12 million in savings such as:
 - Cuts to activities and services including public safety, street maintenance, and after-school recreation programs for children and teens
 - Reductions in facility hours at the library and senior center
 - Salary reductions for all employees (including the City Council)
 - Lay-offs, furlough days, and a hiring freeze



Vital Service Needs

- Supporting services that maintain the quality of life in Santa Fe Springs is important.
 - 9-1-1 emergency response times, current firefighter and paramedic staffing levels
 - Retaining police officers patrolling neighborhoods, parks and schools
 - Maintaining the City's ability to respond quickly and effectively to a natural disaster such as earthquakes
 - Continuing after school recreation programs for local youth
 - Maintaining city streets and intersections to improve traffic flow and reduce congestion
 - Continuing health, nutrition and transportation programs for local seniors
 - Maintaining library programs, including after school tutoring and homework assistance, and literacy programs



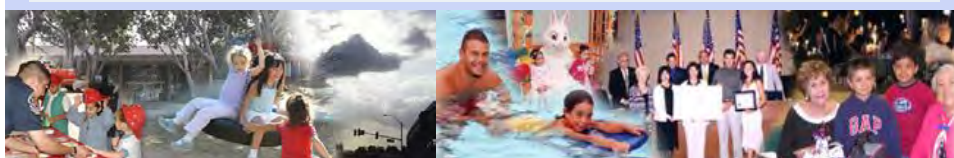
Measure S

- On July 28, 2010, the Santa Fe Springs City Council voted to place the Vital City Services and Fiscal Stability Measure (Measure S) on the November 2010 ballot.
 - Measure S, a 5% Utility Users Tax would apply to electricity, natural gas, and telecommunications.
 - Measure S includes exemptions to low-income seniors and other low-income households, as well as maximum caps for any single utility user.
- Measure S would maintain funding for essential City services including police, firefighters, and paramedics.



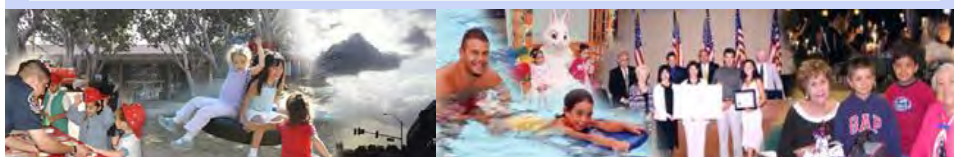
Why act now?

- Existing City funds cannot support our community's current services needs.
- People choose to live in Santa Fe Springs because it offers a higher quality of life than other cities in the surrounding area.
- Measure S will allow the City to continue important community events including the 4th of July fireworks show and other holiday celebrations that make our community such a wonderful place to live, work, and raise a family.



Local Support for Services

- Measure S creates a guaranteed source of local funding for our vital city services that cannot be taken by the State.
- If approved by residents, Measure S will give Santa Fe Springs local control over local funds for local needs.



THE CITY OF BURLINGAME is evaluating a storm drain repair and improvement program to address our storm drain needs. Below are some of the key priorities. Please let us know your feedback. We will review all comments to ensure that our plan addresses community questions and concerns.

- Reduce the flow of trash, debris, and pollutants into the Bay
- Protect the water quality of our creeks and Bay
- Prevent street flooding that obstructs 9-1-1 emergency access & response
- Repair, upgrade, and maintain the storm drain system
- Bring the 80-year-old storm drains to recommended protection levels
- Ensure local control over funds, so that the State cannot take them

Feedback on storm drain program priorities: _____

Suggestions/Comments: _____

I have the following questions: _____

Keep me informed ☐

Name: _____

Organizational Affiliation (if any): _____

Address: _____

City/State/Zip: _____

Phone (day): _____ (eve): _____

Email: _____



CITY OF BURLINGAME HELP FIX OUR STORM DRAINS TO PROTECT THE BAY AND CREEKS



IMPORTANT COMMUNITY UPDATE

PLEASE GIVE US YOUR FEEDBACK!

We can protect the water quality of the Bay and prevent public safety flooding hazards by repairing and upgrading Burlingame's storm drains.



Over the years, the state has taken millions from Burlingame to address the state's own budget crisis. Our

existing local funds are insufficient to address the City's storm drain needs.



DEAR NEIGHBOR:

We are working to improve Burlingame's deteriorated, 80-year-old storm drains and need your input.

Currently storm drain runoff from Burlingame flows into our creeks and the Bay, polluting our environment. We need to upgrade our storm drains to reduce the flow of trash, debris and pollutants into the Bay.

Additionally, flooding caused by the deteriorated, inadequate storm drain system has trapped fire trucks inside a fire station and prevented police officers and firefighters from reaching those in need.

We are working closely with community members to study a storm drain fee that would address these urgent needs. To ensure a Storm Drain Improvement Plan that includes your priorities and needs, please return the attached card, today.

Sincerely,

Syed Murtuza
Burlingame Public Works Director

WE WANT TO HEAR FROM YOU!
PLEASE RESPOND TODAY.

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES




BUSINESS REPLY MAIL

FIRST-CLASS MAIL PERMIT NO. 1024 BURLINGAME CA


POSTAGE WILL BE PAID BY ADDRESSEE

ENGINEERING DIVISION
CITY OF BURLINGAME
501 PRIMROSE RD.
BURLINGAME CA 94010-9855





Community Update On Efforts to Maintain Public Safety Services




Dear Neighbor:

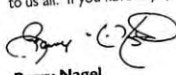
Our City prides itself on being a safe community – and we want it to stay that way.

A reliable source of local funding is needed to continue to address gang activity and maintain rapid 9-1-1 emergency response, fire-fighter/paramedic services, and neighborhood police patrols, as well as other city services.

With this in mind, we have been reviewing possible options for increasing local revenue, including potentially updating our City's Business License Tax to ensure that all corporate entities pay their fair share.

The vast majority of our local small businesses would not be impacted. Closing loopholes in the existing ordinance, however, would allow our City to continue to maintain current levels of police protection and gang prevention without potentially facing public safety budget cuts.



We will continue to keep you updated on this issue of concern to us all. If you have any questions, please email Info@ssf.net.



Barry Nagel
City Manager



Mike Massoni
Public Safety Chief



400 Grand Avenue
South San Francisco, CA 94080

PERMIT STANDARD
U.S. POSTAGE
PAID
ADRM.





DID YOU KNOW?

- The proposed Business License Tax Update would not impact the vast majority of South San Francisco's small businesses.
- The Update would adjust the contributions of some businesses operating in our City so that billboard operators and other corporate entities pay their fair share.
- All funds generated by the Update would be locally controlled and used only for South San Francisco—no money for Sacramento.
- A recent community survey indicated that ensuring public safety, and effectively addressing gang activities are priorities the City should continue to fund.



Below is a specific list of Lew Edwards Group Sales Tax successes.

City of Arvin	SUCCESSFUL General Purpose Sales Tax
City of Campbell	SUCCESSFUL General Purpose Sales Tax
City of Cathedral City	SUCCESSFUL General Purpose Sales Tax
	SUCCESSFUL General Purpose Sales Tax Renewal
City of Ceres	SUCCESSFUL Public Safety Sales Tax
City of Clovis	SUCCESSFUL Public Safety Sales Tax
City of Concord	SUCCESSFUL General Purpose Sales Tax
City of Cotati	SUCCESSFUL General Purpose Sales Tax
	SUCCESSFUL General Purpose Sales Tax Renewal
City of Dinuba	SUCCESSFUL Public Safety Sales Tax
City of El Cerrito	SUCCESSFUL Special Purpose Sales Tax
	SUCCESSFUL General Purpose Sales Tax
City of Fairfield	SUCCESSFUL General Purpose Sales Tax
County of Fresno	SUCCESSFUL Special Purpose Sales Tax
City of Galt	SUCCESSFUL Public Safety Sales Tax
City of Grover Beach	SUCCESSFUL General Purpose Sales Tax
City of Hercules	SUCCESSFUL General Purpose Sales Tax
County of Imperial	SUCCESSFUL Special Purpose Sales Tax
City of Inglewood	SUCCESSFUL General Purpose Sales Tax
City of La Habra	SUCCESSFUL General Purpose Sales Tax
City of La Mesa	SUCCESSFUL General Purpose Sales Tax
City of La Mirada	SUCCESSFUL General Purpose Sales Tax
City of Larkspur	SUCCESSFUL General Purpose Sales Tax
City of Lathrop	SUCCESSFUL General Purpose Sales Tax
City of Los Banos	SUCCESSFUL Public Safety Sales Tax
	SUCCESSFUL Public Safety Measure Extensions (2)
City of Manteca	SUCCESSFUL Public Safety Sales Tax
Town of Moraga	SUCCESSFUL General Purpose Sales Tax
City of Morro Bay	SUCCESSFUL General Purpose Sales Tax
City of Novato	SUCCESSFUL General Purpose Sales Tax
City of Palm Springs	SUCCESSFUL General Purpose Sales Tax
City of Pinole	SUCCESSFUL General Purpose Sales Tax
City of Porterville	SUCCESSFUL Public Safety Sales Tax
City of Reedley	SUCCESSFUL Public Safety Sales Tax
City of Ridgecrest	SUCCESSFUL General Purpose Sales Tax

City of Rohnert Park	SUCCESSFUL General Purpose Sales Tax
	SUCCESSFUL Sales Tax Renewal
City of San Leandro	SUCCESSFUL General Purpose Sales Tax
City of San Luis Obispo	SUCCESSFUL General Purpose Sales Tax
City of Sanger	SUCCESSFUL Special Purpose Sales Tax
County of Santa Cruz	SUCCESSFUL Special Purpose Sales Tax
City of Santa Maria	SUCCESSFUL General Purpose Sales Tax
City of Seaside	SUCCESSFUL General Purpose Sales Tax
City of Selma	SUCCESSFUL Public Safety Sales Tax
City of South Gate	SUCCESSFUL General Purpose Sales Tax
City of Stockton	SUCCESSFUL Public Safety Sales Tax
City of Tracy	SUCCESSFUL General Purpose Sales Tax
County of Tulare	SUCCESSFUL Special Purpose Sales Tax
City of Vallejo	SUCCESSFUL General Purpose Sales Tax
City of Visalia	SUCCESSFUL Public Safety Sales Tax
City of Vista	SUCCESSFUL General Purpose Sales Tax

Current Sales Tax Clients

City of Benicia (New Measure)
 City of Concord (Renewal)
 City of Dublin (New Measure)
 City of El Cerrito (Renewal/Increase)
 City of Fortuna (New Measure)
 City of Gilroy (New Measure)
 City of Hanford (New Measure)
 County of Humboldt (New Measure)
 City of National City (Renewal/Remove Sunset)
 City of Novato (Renewal)
 City of Rancho Cordova (New Measure)
 City of San Leandro (Renewal/Increase)
 City of Sausalito (New Measure)
 City of Stanton (New Measure)
 City of Union City (Renewal)



STAFF REPORT

Meeting Date: October 14, 2014

Agenda Item #9A

Agency: City of Belmont

Staff Contact: Carlos de Melo, Community Development Director, (650) 595-7440
cdemelo@belmont.gov

Agenda Title: Approval of a Planned Unit Development (PD) and Condominium Subdivision for a 32-Unit Mixed-Use (Commercial/Residential) Project Located at 576-600 El Camino Real

Agenda Action: Resolutions and Ordinance

Recommendation

1) Adopt a Resolution adopting a Mitigated Negative Declaration and Mitigation Monitoring Program for the project; 2) Introduce an Ordinance Rezoning the property from Highway Commercial (C-3) to Planned Unit Development (PD) and adopting a Conceptual Development Plan (CDP); and 3) Adopt a Resolution approving a Vesting Tentative Map for the Mixed-Use (Commercial/Residential) Development at 576-600 El Camino Real.

Background

At their September 2, 2014 meeting, the Planning Commission held a public hearing where they reviewed the proposed project. The Commission raised concerns regarding the total parking provided, ground floor and underground garage layout in conjunction with ingress/egress, and type of commercial uses (in particular – potential food service uses and corresponding parking demand). At the conclusion of the hearing, the Commission recommended that the City Council certify the Initial Study/Mitigated Negative Declaration for the project but continued the item, requesting additional information and plan revisions in response to Commission their concerns.

At the September 16, 2014 meeting, the Commission again reviewed the project. The applicant proposed underground garage and ground floor parking area modifications, and an overall increase in project parking to address Commission parking/layout concerns – see Page 2 for further discussion. The applicant also accepted a requirement that food service uses for the commercial space would be subject to a Conditional Use Permit. At the conclusion of the hearing, the Commission recommended the City Council approve the project entitlements (PD Rezone, CDP, and Vesting Tentative Map). Copies of the meeting minutes, and PC Resolutions are attached.

Project Description

The project includes demolition of existing on-site structures and surface parking areas and construction of the three-story mixed-use building with 11,230 sq. ft. of street-level commercial space and thirty-two (32) one, two and three-bedroom condominiums on the upper levels. These units would range in size from 725 sq. ft. to 1,500 sq. ft. The project would also include a residential lobby, landscaped rooftop area for residential use, and a landscaped rear yard.

Site Conditions

The subject property is comprised of three rectangular parcels (APN's 044-201-190 and 230, and 044-222-060). The 39,411 sq. ft. (.905-acre) site is currently developed with two single-story commercial structures adjacent to the sidewalk and surface parking areas, and a residential structure located at the rear of the 600 El Camino Real parcel.

Site Access/Circulation/Parking

The project would replace three existing driveways with a new single, 16-foot wide driveway on El Camino Real. The driveway would provide access to 34 street-level spaces for commercial uses at the ground level and 62 basement level parking spaces. Residential parking would include two electric vehicle charging stations. In response to Commission parking/layout concerns, the following project enhancements have been included:

- The proposed underground parking garage has been modified to include four additional parking spaces (increase from 58 to 62 spaces).
- The ground floor parking has been increased from 32 to 34 spaces. This was accomplished by reducing the commercial retail/office space by 468 sq. ft. and allocating this additional space for parking. Total project parking is 96 spaces.
- The parking garage layout has been modified to shift 20 of the spaces outside of the secured residential parking area. These 20 spaces will now be available for both residential and commercial overflow needs.
- The ground floor end parking space adjacent to the street entry has been eliminated to address safety and ingress/egress concerns. The applicants also indicate striping improvements to be addressed as part of the Detailed Development Plan (DDP) to assist with safety concerns for the parking spaces adjacent garage ramp travel-way.

Building Design/Architecture

The design of the new building incorporates modern-style architecture with a prominent, street-facing presence, a flat shed-style roof, smooth exterior finish separated by color between ground, second floor, and inset private open space areas. The proposed building would be three stories with the maximum height not to exceed 50 feet. Proposed elevations and perspectives are indicated on the Project Plans.

Grading/Geotechnical/Drainage

A Preliminary Grading/Drainage Plan has been prepared for the project – see Project Plans. The total volumes of cut and fill for project construction would be approximately 12,000 cubic yards (CY). Grading would consist of excavation up to twelve feet deep within the building footprint to create the full-depth basement level parking. Some excavation may also be necessary, into the rear slope, to construct the retaining walls along the rear of the building and yard. Fill on the site would include utility trench backfill, retaining wall backfill, slab subgrade materials and finished drainage and landscaping grading. At the Detailed Development Plan (DDP) phase, specific grading quantities (cut/fill) will be better defined in conjunction with a Project Grading Plan. The proposed drainage for the mixed-use building will be upgraded to meet current (C-3) standards.

A Geotechnical Report has been prepared for the project (Geoforensics – June 2013) and peer-reviewed by the City’s Geotechnical Consultant – Cotton Shires & Associates (CSA) in October 2013. CSA geotechnical recommendations for the project (at this development review stage) have been included as CDP Performance Standards/Conditions of Approval.

Landscaping/Tree Removal

The proposed landscape plan consists of eight new street trees and six planters, two and a half feet high, facing El Camino Real. In the rear, proposed landscape improvements include planters, a bio swale with typical shrubs/groundcover for drainage, and evergreen shrubs for screening. Sixteen trees would be removed based on proximity to the building footprint. The applicant will be required to replace plantings, either onsite or offsite, depending on the tree species proposed for removal. These requirements have been incorporated to the project conditions of approval. A final landscape plan will be reviewed as part of the Detailed Development Plan (DDP) for the project.

Discussion

Zoning Conformance – Planned Developments – Conceptual and Detailed Development Plans

As discussed earlier, the applicant requests the existing C-3 Highway Commercial designation be rezoned to a Planned Unit Development (PD). Section 12.1 of the Belmont Zoning Ordinance states the purpose of Planned Unit Development (PD) “is designed to accommodate various types of development such as single-family residential developments, multiple housing developments, neighborhood and community shopping centers, mixed-use developments, professional and administrative areas, commercial services centers, and other uses or a combination of uses which can be made appropriately as part of a Planned Unit Development”. The PD zoning district allows flexibility of design in accordance with the goals, policies, and objectives of the General Plan.

Unlike properties in other zoning districts, properties seeking a PD designation are governed by a two-step review process: First, general issues of land use, site plans and circulation plans are reviewed by way of an application for a Conceptual Development Plan (CDP). After approval, more detailed issues – such as building architecture, landscaping, parking layout, grading/drainage, and lighting – are evaluated as part of a Detailed Development Plan (DDP).

PROJECT DATA (CDP STANDARDS)

Criteria	Proposed PD Standards	Proposed Project
Lot Area	39,411 sq. ft.	39,411 sq. ft.
Use(s)	Mixed-Use (Residential & Commercial)	Mixed-Use (Residential & Commercial)
Density	36 units/acre	36 units/acre
Height	46 feet for building 50 feet for elevator override/mechanical equipment and shielding	49.5 feet
FAR	2.28 – includes garage level 1.57 – for commercial and residential levels	2.2 – includes garage level 1.55 – for commercial and residential levels

Criteria	Proposed PD Standards	Proposed Project
Gross sq. ft.	Maximum 90,000 sq. ft. – includes underground garage level Maximum 62,000 sq. ft. for commercial and residential levels Maximum Ground Floor - 14,500 sq. ft. – includes bike, trash areas; maximum 11,000 commercial sq. ft. – Maximum Upper Floors (Residential) – 23,000 sq. ft. per floor; 46,000 sq. ft. total	87,490 sq. ft. – includes underground garage level 60,970 sq. ft. for commercial and residential levels
Landscaping	30%	30%
Parking:		
• Residential	62 Spaces - maximum 27% compact spaces	62 Spaces
• Commercial	34 Spaces - maximum 25% compact spaces	34 Spaces
• Total	Minimum 96 Spaces	96 Spaces
Setbacks:		
• Front	As per approved CDP plans	13 feet
• Left Side	As per approved CDP plans	8 feet
• Right Side	As per approved CDP plans	10 feet
• Rear	As per approved CDP plans	15 feet

Conceptual Development Plan (CDP) Analysis & General Plan Consistency

The single finding required for Rezoning a property is the determination that “...the change in the district boundaries or of the district regulations is required to achieve the objectives of the Zoning Plan and the General Plan for the City.” (BZO Section 16.7)

The objectives of the City’s zoning regulations are stated in Section 1.1 of the Zoning Code:

Sec. 1.1 PURPOSE – The following regulations for the zoning of land within the City are hereby adopted to promote and protect the public health, safety, peace, comfort, convenience and general welfare, and to provide a precise guide for the physical development of the City.

In determining the appropriateness of the requested Rezoning (and whether it is *required*), the central issue is consistency with the General Plan. To determine that consistency, applicable goals and policies of the Belmont General Plan must be considered in light of this proposal. The Council must determine that such goals and objectives are achieved by the proposed Rezoning of the subject property for the subject Planned Unit Development (PD).

General Plan Conformance

The General Plan designates the project site as Commercial Highway and the requested development does not change the current designation. The following goals and policies are indicated to demonstrate consistency with the proposed rezoning of C-3 Highway Commercial to Planned Unit Development (PD). Performance standards such as maximum density, building height, setbacks, FAR, open space and landscaped areas are contained in the attached Ordinance. The project site has been fully developed in accordance with the City's General Plan, consistent with the following General Plan Goals and Policies:

Residential Areas

Policy 2007

2. *A variety of types and densities of residential uses should be provided to meet the needs of the different lifestyles and incomes of the people who live in the community.*

Land Use-Open Space Element Description – Residential Areas

2010 - In addition to these residential areas, residential land use is also permitted, under special permit procedures and specific performance standards, in commercial districts as described in other portions of this plan. For all categories, the actual permitted number of housing units may vary by area depending upon existing land use, natural site characteristics, access to major streets and availability of services and utilities.

2024 - Existing high-density residential development occurs in the Carlmont, Central, Sterling Downs and Homeview Neighborhoods. Additional high-density housing may be provided as minor extensions of existing high-density residential developments or in commercial areas as permitted by this plan.

Commercial Areas

2025 Goals

1. *To provide space for commercial activities in locations with good vehicular, bicycle and pedestrian access available public services, adequate parking and compatible adjacent uses.*
2. *To promote commercial development, which meets the needs of local residents for convenience goods and services and which is fiscally beneficial to the city.*
3. *To improve the attractiveness and functioning of existing commercial areas through such means as landscaping and design controls, and provision of adequate parking, sidewalks, bike paths and bike racks.*
4. *To provide opportunities for commercial employment in attractive, landscaped environments.*

2026 Policies

1. *Commercial and office uses should be located on or near major thoroughfares to discourage traffic in residential neighborhoods and should include sufficient off-street parking to prevent disruption of traffic flow on major streets.*
6. *Highway commercial uses shall be permitted outside of the Central Business District only at already established locations along El Camino Real, Ralston Avenue east of El Camino Real, Old County Road and the U.S. 101/Ralston interchange. To avoid additional strip commercial development, businesses should be grouped, to the extent possible, and separated by landscaped open space/parking areas, offices or multiple family housing.*

Land Use-Open Space Element Description – Highway Commercial Areas

Highway commercial uses are businesses depending on automobile traffic for customers such as service stations, motels, restaurants, auto parts and supply establishments, offices with a drop-in clientele, and a variety of retail businesses. Highway commercial uses are presently located along El Camino Real, along portions of Ralston Avenue east of El Camino, along Old County Road and at the U.S. 101/Ralston interchange. The plan limits highway commercial to these areas where the use is already established with the possible exception of a portion of the Mixed Use area near the Ralston/U.S. 101 interchange. Landscaped open space and parking areas and non-commercial uses are encouraged between the highway commercial uses whenever possible to break up the commercial "strip" appearance. The appearance of the El Camino "strip" can be greatly improved by landscaping along the Southern Pacific tracks on the east side and, where possible, of the commercial sites on the east and west side.

The project will provide additional residential units, which is necessary to provide residential uses for the area and increase the housing stock for the City. The proposed residential development will provide greater opportunities to meet the different lifestyles and incomes of people living within the development and community.

The proposed residential development would be generally compatible with the character of the surrounding neighborhood. In particular, the proposed residential development will be consistent in relation to traffic generation, parking, and noise associated with existing residential uses in the area. The site location is close to established single and multi-family neighborhoods as well as both public transportation and commercial services.

In summary, the proposed mixed-use development will meet the goals and objectives of the General Plan by rezoning the underlying C-3 Highway Commercial designation to Planned Development. This will allow the site to be compatible with neighboring mixed residential uses and commercial uses fronting El Camino Real. Based on the above discussion, staff and the Planning Commission believe that the specific finding can be made that the proposed Rezone of the subject site (and associated Conceptual Development Plan) for the Planned Development achieves the goals and objectives of the Zoning Ordinance and General Plan for the City.

Conceptual Development Plan Findings

As discussed earlier, the PD zoning district allows flexibility of design in accordance with the goals, policies, and objectives of the General Plan. This zoning also allows for flexibility in meeting the strict interpretation of the Zoning Ordinance, provided the project is well designed, includes a favorable balance of open space to developed area, is sensitive to existing terrain, and is compatible with surrounding uses. In order to approve the proposed Conceptual Development Plan (CDP) for the PD, the following findings must be made:

- 1. That the total development in each individual unit therein can exist as an independent unit capable of creating an environment of sustained desirability and stability or that adequate assurance will be provided that such objective will be attained; that the uses proposed will not be detrimental to the present and potential surrounding uses, but will have a beneficial effect which could not be achieved under other zoning districts.*

The proposed development can remain an independent project because it is a self-contained residential and commercial complex. It will not disturb neighboring uses since the project will be conditioned through performance standards and adherence to mitigation measures required in the Mitigated Negative Declaration. The proposed development will provide needed housing, maintain a commercial presence along El Camino Real, and be compatible with existing residential and commercial uses within the area.

The Initial Study/Mitigated Negative Declaration for the project and the conditions of project approval recommended by the various City departments demonstrate that the project is capable of sustainability. Infrastructure is in place to serve the site. The mixed-use building would be constructed as a "whole" as there are no separate individual buildings proposed. The proposed development of the site would remain commercial-serving which is consistent with the previous use of the site and the planning and zoning designations for the site.

Therefore, the total development can exist as an independent unit capable of creating an environment of sustained desirability, and that the uses proposed will not be detrimental to the present and potential surrounding uses, but will have a beneficial effect which could not be achieved under other zoning districts. This finding is affirmed.

- 2. That the streets and thoroughfares proposed are suitable and adequate to carry anticipated traffic and the density will not generate traffic in such amounts as to overload the street network outside the PD District.*

The subject property is adjacent to El Camino Real and in close proximity to Ralston Avenue and Highway 101. A complete traffic study was conducted as part of the environmental assessment (August 2014) that concluded that the mixed-use development will not result in any significant traffic impacts, or contribute to significant cumulative traffic impacts in the area. This finding is affirmed.

- 3. That any proposed commercial development can be justified economically at the locations proposed, to provide for adequate commercial facilities of the types proposed.*

Ground-floor commercial development adjacent to El Camino Real and supporting residential tenants above is appropriate for the location and consistent with adjacent street-level commercial development within this major transit corridor and the downtown area. This finding is affirmed.

4. *That the economic impact created by the PD District can be absorbed by the City (police and fire service, water supply, sewage disposal, etc.).*

The proposed mixed-use development will not significantly increase the City's costs in providing services to the project site, and the City will be able to absorb the economic impact created by the project. Redevelopment of the site would improve conditions with respect to police and fire as the site would be brought up to current Uniform Building and Fire Codes which also address safety. Lighting would be updated for the site, and water, sewer and garbage collection. Services are currently provided for the property. The project has been reviewed by all appropriate departments to ensure that all service levels can be maintained to protect the public health, safety and welfare. This finding is affirmed.

5. *That the proposed off-street parking is in substantial conformance with the provisions of Section 8 of this Ordinance, that where an applicant's proposed off-street parking is less than that set forth by the standards of Section 8 of this Ordinance, circumstances are such that it would be a practical difficulty or create a physical hardship on the applicant for him to conform to the standards of Section 8.*

The proposed mixed-use development will provide 96 on-site spaces to serve the needs of both residents and guests of the units and commercial use patrons. The number of spaces provided appears to be adequate for the mixed-use development. The traffic study for the project also confirms that the parking provided for the proposed mixed-use development will be sufficient for demand. This finding is affirmed.

Vesting Tentative Map

In order to approve of the proposed Vesting Tentative (Subdivision) Map to establish the condominiums for the project, the City Council must make the following findings:

- a. *The proposed map is consistent with the applicable general and specific plans.*

The project is in compliance with the Highway Commercial General Plan designation, and the proposed Conceptual Development Plan for the site. The proposed project consisting of 32 residential units and 11,230 sq. ft. of commercial space is consistent with the recommended rezoning for the site to Planned Unit Development. This finding is affirmed.

- b. *The proposed design or improvement of the subdivision is consistent with the applicable general and specific plans.*

The Vesting Tentative Map will allow for the construction of 32 residential condominiums and commercial space. The subdivision is consistent with the Commercial Highway General Plan

designation for the site, and has been designed to meet all development standards of the proposed Conceptual Development Plan (CDP) for the Planned Development zone. The project would minimize grading and hardscape to the most reasonable extent possible, and is designed to not significantly impact existing views. This finding is affirmed.

c. The site is physically suitable for the type of development.

The 39,411 sq. ft. project site fronts upon a fully improved roadway with access to all required utilities, and is within walking distance of shops and businesses. The site contains moderate to steep slopes within the rear portion of the property. Total grading required to construct the proposed mixed-use building and other associated improvements is not excessive in consideration of the site conditions. The project site has received conditional geotechnical clearance, and contains no environmental constraints with the exception of the sixteen trees that would be removed, to make it suitable for residential (and commercial) development. This finding is affirmed.

d. The site is physically suitable for the proposed density of the development.

The size and topography of the site is adequate to allow construction of the 32 new residential units, street-level commercial use, parking areas and amenities for the project. The subdivision is consistent with the City's Commercial Highway General Plan Designation, and the proposed Planned Development zoning (and associated residential density) for the project. In addition, all supporting plans and reports (geotechnical investigation, traffic, air quality, preliminary grading and drainage plan, etc.) indicate that proposed residential units would be suitable for the site. This finding is affirmed.

e. The design of the subdivision or the proposed improvement is not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.

The subdivision is required to comply with all mitigations outlined in the Mitigated Negative Declaration. The applicant's geotechnical report, Phase I ESA, traffic impact analysis and biological assessment evaluated potential adverse impacts to wildlife and their habitat and identified no substantial adverse impacts as part of the environmental assessment for the project. This finding is affirmed.

f. The design of the subdivision or the type of improvements is not likely to cause serious public health problems.

All public utilities can adequately serve the proposed project; the project will comply with all recommended mitigations in the Mitigated Negative Declaration, conditions of project approval, and the Uniform Building and Fire Codes. This finding is affirmed.

g. The design of the subdivision or type of improvements will not conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision. In this connection, the City Council may approve a map if it finds that alternate easements, for access or for use, will be provided, and that these will be substantially equivalent to one previously acquired by the public.

The proposed project is self-contained in one building, which faces El Camino Real, to be maintained by the property owners through the enforcement of Codes, Covenants, and Restrictions (CC&R's) for the 576-600 El Camino Homeowners Association. The Public Works, Building and Fire Departments have reviewed and approved the subdivision, circulation, access and improvements by conditions of approval for this project. This finding is affirmed.

Environmental Clearance (CEQA)

The project is subject to environmental review under the provisions of the California Environmental Quality Act (CEQA). An Initial Study/Mitigated Negative Declaration was prepared for the project (see Attachment G). The City noticed the availability of the IS/MND along with the *Notice of Intent to Adopt a Negative Declaration* in the Redwood City Tribune on June 30, 2014. The same noticing was also mailed to property owners within a 300 foot radius of the site.

A 30-day public review period commenced on July 1, 2014 and closed on August 1, 2014. One comment letter was received by Caltrans. A response to comments letter as well as the original comment letter are included as Attachment G. No additional comments have been received as of the writing of this report. The IS/MND has been processed in accordance with the CEQA Guidelines. Subject to the mitigation measures identified within the IS/MND, there would be no would be no significant environmental impacts as a result of the proposed project.

Since preparation of the Final IS/MND, the project proponent has revised the application to include 6 additional parking spaces, allow some shared parking, and reduce the square footage of the proposed street-level commercial space by 468 square feet. The reduced commercial square footage would lower the project's PM peak hour trip generation by a few vehicles and would not produce any significant change in the findings of the traffic study. The proposed changes would not result in any new environmental impacts or mitigation measures, and would not affect the analysis presented in the IS/MND. Instead, these revisions would further reduce the less-than-significant environmental impacts of the project. Therefore, the Final IS/MND as proposed for adoption would still apply.

Alternatives

1. Direct staff to prepare resolutions based on findings provided by the City Council to deny the entitlement applications.
2. Continue the matter and direct staff to prepare an alternative course of action.
3. Refer back to staff for additional information.

Attachments

- A. Resolution adopting a Mitigated Negative Declaration and Mitigation Monitoring Program for the project
- B. Ordinance rezoning the property from Highway Commercial (C-3) to Planned Unit Development (PD) and adopting a Conceptual Development Plan (CDP)
- C. Resolution approving a Vesting Tentative Map for the Mixed-Use (Commercial/Residential) Development
- D. Performance Standards – Conceptual Development Plan
- E. Planning Commission Meeting Minutes and Resolutions – September 2 & 16, 2014

- F. Geotechnical Studies - Geoforensics – June 27, 2013; Cotton & Shires Associates Peer Review – October 29, 2013 – these studies are included in the Initial Study/Mitigated Negative Declaration (IS/MND)
- G. Neighborhood Outreach Materials
- H. Applicant Arborist Report and City Arborist Peer Review Report - 2014
- I. August 2014 Initial Study/Mitigated Negative Declaration (IS/MND), Mitigation Monitoring and Reporting Program (MMRP), IS/MND Comment Letter & Response to Comments Memo – Council Only – This attachment is accessed via the **Major Projects** link on the City of Belmont Website – www.belmont.gov
- J. Project Plans – This attachment is accessed via the **Major Projects** link on the City of Belmont Website – www.belmont.gov (Council Only)

Fiscal Impact

- ☒ No Impact/Not Applicable
- ☐ Funding Source Confirmed:

Source:

- ☐ Council
- ☐ Staff
- ☐ Citizen Initiated
- ☒ Other*

Purpose:

- ☐ Statutory/Contractual Requirement
- ☐ Council Vision/Priority
- ☒ Discretionary Action
- ☐ Plan Implementation*

Public Outreach:

- ☒ Posting of Agenda
- ☒ Other**

** Notice published in newspaper of general circulation, and mailed to property owners within 300 foot radius of project site.

RESOLUTION NO. 2014-

RESOLUTION OF THE CITY COUNCIL ADOPTING A MITIGATED NEGATIVE DECLARATION OF ENVIRONMENTAL SIGNIFICANCE AND A MITIGATION MONITORING AND REPORTING PROGRAM FOR THE MIXED-USE (COMMERCIAL/RESIDENTIAL) PROJECT AT 576-600 EL CAMINO REAL (APPL. NO. 2013-0054)

WHEREAS, an Initial Study and a Mitigated Negative Declaration of Environmental Significance and a Mitigation Monitoring and Reporting Program has been prepared for the 576-600 El Camino Real Mixed-Use (Commercial/Residential) Project; and,

WHEREAS, an Initial Study was prepared for the project and based upon the findings of the Initial Study a draft Mitigated Negative Declaration was prepared; and,

WHEREAS, the draft Initial Study/Mitigated Negative Declaration was prepared and submitted to the State Clearing House, for a 30-day public review period commencing on July 1, 2014, and ending on August 1, 2014; and,

WHEREAS, the draft Initial Study/Mitigated Negative Declaration was prepared and posted at the County of San Mateo Recorder's office for a 30-day public review period commencing on July 1, 2014; and,

WHEREAS, the City noticed the availability of the Initial Study/Mitigated Negative Declaration along with the *Notice of Intent to Adopt a Mitigated Negative Declaration* in the Redwood City Tribune on June 30, 2014, and the same noticing was also mailed to property owners within a 300 foot radius of the site; and,

WHEREAS, a response to comments specific to the draft Initial Study/Mitigated Negative Declaration, has been prepared and is included as an attachment to the document; and,

WHEREAS, public hearings were duly noticed, and held on September 2, 2014, and October 14, 2014; and,

WHEREAS, no potential impacts associated with the environmental categories for Agriculture Resources and Mineral Resources were identified in the Initial Study; and,

WHEREAS, there are no potential impacts or less-than-significant impacts associated with the environmental categories for Aesthetics, Greenhouse Gases, Hydrology/Water Quality, Land Use and Planning, Population and Housing, Recreation, Utilities and Service Systems that were identified in the Initial Study; and,

WHEREAS, the Initial Study identifies environmental categories: Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Noise, Public Services and Transportation/Traffic that could potentially be impacted by the proposed project, but that the Initial Study identifies mitigation measures that would reduce project related impacts to a less than significant level; and,

WHEREAS, the City Council did hear and use their independent judgment and considered all said reports, recommendations and testimony hereinabove set forth.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Belmont resolves as follows:

SECTION 1. The City Council adopts the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program prepared for this project and finds that it was completed in compliance with the requirements of the California Environmental Quality Act (CEQA), reflects the independent judgment of the city, and that approval of the project will have no significant negative impact on area resources, cumulative or otherwise.

SECTION 2. The Director of Community Development shall file a Notice of Determination with the County Clerk in accordance with CEQA Guidelines.

* * *

ADOPTED October 14, 2014, by the City of Belmont City Council by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF BELMONT ADOPTING A REZONE AND CONCEPTUAL DEVELOPMENT PLAN (CDP) FOR THE MIXED-USE (COMMERCIAL/RESIDENTIAL) PROJECT AT 576-600 EL CAMINO REAL (APPL. NO. 2013-0054)

WHEREAS, Belmino, LLC, applicant, on behalf of the property owner, CHS Development Group, requests a Rezoning of 576-600 El Camino Real from Highway Commercial (C-3) to Planned Unit Development (PD), and approval of the associated Conceptual Development Plan (CDP) for a Mixed-Use (Commercial/Residential) development; and,

WHEREAS, on September 2, 2014, and September 16, 2014, the Planning Commission held duly noticed public hearings to consider public testimony and a staff report for the requested entitlements, and recommended the City Council approve the entitlements; and,

WHEREAS, on October 14, 2014, the City Council held a duly noticed public hearing to consider the Planning Commission's recommendation, public testimony, and a staff report on the requested entitlements; and,

WHEREAS, the City Council hereby adopts the staff report dated October 14, 2014, and the facts contained therein as its own findings of fact; and,

WHEREAS, on October 14, 2014, in a separate action, the City Council adopted a Mitigated Negative Declaration for the project; and,

WHEREAS, the City Council did hear and use its independent judgment in considering all reports, recommendations and testimony associated with the project.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BELMONT DOES ORDAIN AS FOLLOWS:

SECTION 1. Rezoning and Conceptual Development Plan

(a) Based on the evidence before the City Council, the City Council finds the proposed Rezoning of the subject property (576-600 El Camino Real) from Highway Commercial (C-3) to Planned Unit Development (PD) is consistent with the General Plan, and is required to achieve the objectives of the Zoning Ordinance and General Plan for the City.

(b) Based on the evidence before the City Council, the City Council finds the proposed Conceptual Development Plan (CDP) is consistent with the General Plan, and is required to achieve the objectives of the Zoning Ordinance and General Plan for the City.

(c) The application to establish the Conceptual Development Plan (CDP) for the Mixed-Use (Commercial/Residential) Project at 576-600 El Camino Real is approved based on the findings set forth herein and subject to the additional performance standards set forth in Attachment "D" (Performance Standards – Conceptual Development Plan) to the October 14, 2014 staff report to the City Council, which are made Exhibit "1" to this Ordinance and attached hereto.

(d) After reviewing all the relevant evidence before the City Council, including the information provided in the staff reports and enclosures to the Planning Commission and City Council, the public hearings and testimony received, the City Council incorporates herein by reference and adopts the analysis and findings in the staff report to the City Council dated October 14, 2014, as its own findings of fact under Belmont Zoning Ordinance Sections 12.3.B and 16.7 related to the Rezoning and the Conceptual Development Plan.

SECTION 2. Effective date.

This Ordinance shall take effect and will be enforced thirty (30) days after its adoption.

SECTION 3. Publication and Posting

The City Clerk has caused to be published a summary of this ordinance, prepared by the City Attorney under Government Code Section 36933, subdivision (c) of the, once, in a newspaper of general circulation printed and published in San Mateo County and circulated in the City of Belmont, at least five days before the date of adoption. A certified copy of the full text of the ordinance was posted in the office of the City Clerk since at least five days before this date of adoption. Within 15 days after adoption of this ordinance, the City Clerk shall cause the summary of this ordinance to be published again with the names of those City Council members voting for and against the ordinance; and the City Clerk shall post in the office of the City Clerk a certified copy of the full text of this adopted ordinance with the names of those City Council members voting for and against the ordinance.

* * *

The City Council of the City of Belmont, California introduced the foregoing ordinance, on October 14, 2014 and adopted the ordinance at a regular meeting held on [insert date], 2014 by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney

Exhibit “1”
Ordinance No. _____

Conceptual Development Plan (CDP) and Land Uses
Mixed-Use Development (Commercial/Residential)
576-600 El Camino Real
(Appl. No.PA2013-0054)

This Exhibit “1” to Ordinance No. _____ establishes the Conceptual Development Plan (CDP) and Land Uses for the Mixed-Use Development (Commercial/Residential) at 576-600 El Camino Real:

1. The Detailed Development Plan shall be consistent with the following design standards, which are derived from the plans on file and date stamped August 25, 2014 and as amended on September 16, 2014.

Criteria	CDP Standards	Proposed Project
Lot Area	39,411 sq. ft.	39,411 sq. ft.
Use(s)	Mixed-Use (Residential & Commercial)	Mixed-Use (Residential & Commercial)
Density	36 units/acre	36 units/acre
Height	46 feet for building 50 feet for elevator override/mechanical equipment and shielding	49.5 feet
FAR	2.28 – includes garage level 1.57 – for commercial and residential levels	2.2 – includes garage level 1.55 – for commercial and residential levels
Gross sq. ft.	Maximum 90,000 sq. ft. – includes underground garage level Maximum 62,000 sq. ft. for commercial and residential levels Maximum Ground Floor - 14,500 sq. ft. – includes bike, trash areas; maximum 11,000 commercial sq. ft. – Maximum Upper Floors (Residential) – 23,000 sq. ft. per floor; 46,000 sq. ft. total	87,490 sq. ft. – includes underground garage level 60,970 sq. ft. for commercial and residential levels
Landscaping	30%	30%
• Residential	62 Spaces - maximum 27% compact spaces	62 Spaces
• Commercial	34 Spaces - maximum 25% compact spaces	34 Spaces
• Total	Minimum 96 Spaces	96 Spaces
Setbacks		
• Front	As per approved CDP plans	13 feet
• Left Side	As per approved CDP plans	8 feet
• Right Side	As per approved CDP plans	10 feet
• Rear	As per approved CDP plans	15 feet

2. Building Materials: The project shall include use of true materials, such as stucco, stone, wood, metal, and/or glass.
3. Building/Site Uses: All building/site uses shall be subject to the following use requirements:

<u>Key</u> P – Permitted by Right C – Conditional Use Permit Required X – Prohibited	
<u>Residential</u>	
Multiple Unit Residential Condominiums	P
Home Occupation	P – subject to Homeowners Association Approval
<u>Commercial Uses</u>	
Retail - First Floor	P
General Retail	P
Auto Related Accessories	P
Hardware Store, Building Materials, Equipment & Services	C
Used Merchandise	C
Pawnshop	X
Tobacco Sales, Smoke Shop, E-Cigarette, Vape Shop	X
Artist Studio (Non-Furnace)	P
<u>Food & Beverage</u>	
General Market or Convenience Market	P
Alcoholic Beverage Sales (Retail)	P
Alcoholic Beverage/Wine Shop W/Tasting	P
Food Preparation/Restaurant	C
Eating and Drinking Establishments (All)	C
Food Service Sales & Consumption (Coffee Shop, Bakery without on-site preparation)	P
<u>Animal/Pet Sales/Service</u>	
Animal Retail Sales (Live Pet Store)	C
Animal Clinic/Grooming (no boarding)	C
Animal Hospital (boarding)	X
<u>Retail/General & Personal Services</u>	
General Merchandise	P
Laundromat - Self-Service	X
Drycleaner	X
Maintenance and Repair Service	P
Funeral Parlor/ Mortuary	X
State Certified Massage Therapy	X
Personal Improvement Services	C
Personal Services	P
Nail or Hair Salon	X
Gymnasium, Exercise Studio, Martial Arts	P
Schools	X

<u>Financial/Real Estate Services</u>	
Bank, Credit Union, Brokerage Firm, Retail Bank Service	P
Automated Teller Machines	P
Check Cashing, Payday Loan, Bail Bonds	X
Real Estate Brokerage	P
Title Company	P
<u>Offices</u>	
General Offices	P
Medical/Dental/Legal	P
<u>Lodging</u>	C
<u>Recreation - Commercial</u>	
Indoor	C
Outdoor	X
<u>Adult Oriented Business</u>	X
<u>Theatres</u>	P
<u>Vehicle Sales, Leasing, Rental</u>	C
<u>Industrial Use Classifications</u>	
Handicraft/Custom Manufacturing	C
Research and Development	C
<u>Self Storage</u>	X
<u>Parking Facility, Public or Commercial</u>	X
<u>Cultural Institution</u>	P
<u>Communication & Utilities Use Classifications</u>	
<u>Wireless Communication Facilities</u>	
• Building Mounted Antenna	C
• Co-located Wireless Facility	C
• Monopole Antenna	X
Utilities, Minor	P
Utilities, Major	X
Solar energy system	P
<u>Other Uses</u>	
Ancillary Use to Permitted/Conditional Use	P/C
Temporary Uses	C
Uses with exterior refrigeration or equipment	C
Sales/storage of flammable liquids/fuels	X
Uses open 11:00 pm - 7 am	C
Drive-through uses	X

RESOLUTION NO. 2014-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT APPROVING A VESTING TENTATIVE MAP FOR THE MIXED-USE (COMMERCIAL/RESIDENTIAL) PROJECT AT 576-600 EL CAMINO REAL (APPL. NO. 2013-0054)

WHEREAS, Belmino, LLC, applicant, on behalf of the property owner, CHS Development Group, requests approval of a Vesting Tentative Map for a Mixed-Use (Commercial/Residential) development at 576-600 El Camino Real; and,

WHEREAS, on September 2, 2014, and September 16, 2014, the Planning Commission held duly noticed public hearings to consider public testimony and a staff report for the requested Vesting Tentative Map, and recommended the City Council approve this entitlement; and,

WHEREAS, on October 14, 2014, the City Council held a duly noticed public hearing to consider the Planning Commission's recommendation, public testimony, and a staff report on the requested Vesting Tentative Map; and,

WHEREAS, the City Council hereby adopts the staff report dated October 14, 2014, and the facts contained therein as its own findings of fact; and,

WHEREAS, on October 14, 2014, in a separate action, the City Council adopted a Mitigated Negative Declaration for the project; and,

WHEREAS, on October 14, 2014, in a separate action, the City Council introduced an Ordinance Adopting a Rezone of the subject property (576-600 El Camino Real) from Highway Commercial (C-3) to Planned Unit Development (PD), and approval of the associated Conceptual Development Plan (CDP) for a Mixed-Use (Commercial/Residential) development; and,

WHEREAS, the City Council did hear and use its independent judgment in considering all reports, recommendations and testimony associated with the project.

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1. Vesting Tentative Map

(a) After reviewing all the relevant evidence before the City Council, including the information provided in the staff reports and enclosures to the Planning Commission and City Council, the public hearings and testimony received, the City Council incorporates herein by reference and adopts the Vesting Tentative Map analysis and findings in the staff report to the City Council dated October 14, 2014, as its own findings of fact under Belmont Subdivision Ordinance Section 9.8 (A-G).

* * *

ADOPTED October 14, 2014, by the City of Belmont City Council by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney

EXHIBIT/ATTACHMENT “D”

PERFORMANCE STANDARDS - CONCEPTUAL DEVELOPMENT PLAN (CDP) FOR
PLANNED DEVELOPMENT (PD) AND VESTING TENTATIVE MAP
576-600 EL CAMINO REAL
(APPL. NO.PA2013-0054)

I. COMPLY WITH THE FOLLOWING CONDITIONS OF THE COMMUNITY DEVELOPMENT DEPARTMENT:

- A. The following conditions shall be shown on plans submitted for a building permit and/or site development permit or otherwise met prior to issuance of the first building permit (i.e., foundation permit) and shall be completed and/or installed prior to occupancy and remain in place at all times that the use occupies the premises except as otherwise specified in the conditions:

Planning Division

1. The Detailed Development Plan shall be consistent with the following design standards, which are derived from the plans on file and date stamped August 25, 2014 and as amended on September 16, 2014.

Criteria	CDP Standards	Proposed Project
Lot Area	39,411 sq. ft.	39,411 sq. ft.
Use(s)	Mixed-Use (Residential & Commercial)	Mixed-Use (Residential & Commercial)
Density	36 units/acre	36 units/acre
Height	46 feet for building 50 feet for elevator override/mechanical equipment and shielding	49.5 feet
FAR	2.28 – includes garage level 1.57 – for commercial and residential levels	2.2 – includes garage level 1.55 – for commercial and residential levels
Gross sq. ft.	Maximum 90,000 sq. ft. – includes underground garage level Maximum 62,000 sq. ft. for commercial and residential levels Maximum Ground Floor - 14,500 sq. ft. – includes bike, trash areas; maximum 11,000 commercial sq. ft. – Maximum Upper Floors (Residential) – 23,000 sq. ft. per floor; 46,000 sq. ft. total	87,490 sq. ft. – includes underground garage level 60,970 sq. ft. for commercial and residential levels

Landscaping	30%	30%
• Residential	62 Spaces - maximum 27% compact spaces	62 Spaces
• Commercial	34 Spaces - maximum 25% compact spaces	34 Spaces
• Total	Minimum 96 Spaces	96 Spaces
Setbacks		
• Front	As per approved CDP plans	13 feet
• Left Side	As per approved CDP plans	8 feet
• Right Side	As per approved CDP plans	10 feet
• Rear	As per approved CDP plans	15 feet

- A. Building Materials: The project shall include use of true materials, such as stucco, stone, wood, metal, and/or glass.
- B. Building/Site Uses: All building/site uses shall be subject to the following use requirements:

<u>Key</u> P – Permitted by Right C – Conditional Use Permit Required X – Prohibited	
<u>Residential</u>	
Multiple Unit Residential Condominiums	P
Home Occupation	P – subject to Homeowners Association Approval
<u>Commercial Uses</u>	
Retail - First Floor	P
General Retail	P
Auto Related Accessories	P
Hardware Store, Building Materials, Equipment & Services	C
Used Merchandise	C
Pawnshop	X
Tobacco Sales, Smoke Shop, E-Cigarette, Vape Shop	X
Artist Studio (Non-Furnace)	P
<u>Food & Beverage</u>	
General Market or Convenience Market	P
Alcoholic Beverage Sales (Retail)	P
Alcoholic Beverage/Wine Shop W/Tasting	P
Food Preparation/Restaurant	C
Eating and Drinking Establishments (All)	C
Food Service Sales & Consumption (Coffee Shop, Bakery without on-site preparation)	P
<u>Animal/Pet Sales/Service</u>	
Animal Retail Sales (Live Pet Store)	C

Animal Clinic/Grooming (no boarding)	C
Animal Hospital (boarding)	X
<u>Retail/General & Personal Services</u>	
General Merchandise	P
Laundromat - Self-Service	X
Drycleaner	X
Maintenance and Repair Service	P
Funeral Parlor/ Mortuary	X
State Certified Massage Therapy	X
Personal Improvement Services	C
Personal Services	P
Nail or Hair Salon	X
Gymnasium, Exercise Studio, Martial Arts	P
Schools	X
<u>Financial/Real Estate Services</u>	
Bank, Credit Union, Brokerage Firm, Retail Bank Service	P
Automated Teller Machines	P
Check Cashing, Payday Loan, Bail Bonds	X
Real Estate Brokerage	P
Title Company	P
<u>Offices</u>	
General Offices	P
Medical/Dental/Legal	P
<u>Lodging</u>	
	C
<u>Recreation - Commercial</u>	
Indoor	C
Outdoor	X
<u>Adult Oriented Business</u>	
	X
<u>Theatres</u>	
	P
<u>Vehicle Sales, Leasing, Rental</u>	
	C
<u>Industrial Use Classifications</u>	
Handicraft/Custom Manufacturing	C
Research and Development	C
<u>Self Storage</u>	
	X
<u>Parking Facility, Public or Commercial</u>	
	X
<u>Cultural Institution</u>	
	P
<u>Communication & Utilities Use Classifications</u>	
<u>Wireless Communication Facilities</u>	
• Building Mounted Antenna	C
• Co-located Wireless Facility	C
• Monopole Antenna	X
Utilities, Minor	P
Utilities, Major	X

Solar energy system	P
Other Uses	
Ancillary Use to Permitted/Conditional Use	P/C
Temporary Uses	C
Uses with exterior refrigeration or equipment	C
Sales/storage of flammable liquids/fuels	X
Uses open 11:00 pm - 7 am	C
Drive-through uses	X

2. Prior to issuance of building permits, the property owner shall file with the Director of Community Development, on forms provided by the City, an acknowledgment that he/she has read, understands and agrees to these conditions of approval.
3. In the event that this approval is challenged by a third party, the property owner and all assignees will be responsible for defending against this challenge, and agrees to accept responsibility for defense at the request of the City. The property owner and all assignees agree to defend, indemnify and hold harmless the City of Belmont and all officials, staff, consultants and agents from any costs, claims or liabilities arising from the approval, including without limitation, any award of attorney's fees that might result from the third party challenge.
4. The subject properties are identified as a housing development opportunity site in the Belmont General Plan Housing Element 2007-2014, and as such are subject to appropriate affordable housing mitigation measures. Prior to Building Permit issuance, the property owner/developer shall enter into an Affordable Housing Agreement with the City of Belmont. The Affordable Housing Agreement shall ensure that development of the property complies with CA Health and Safety Code Section 33413, and with the adopted Belmont Housing Element.
5. The applicant/developer agrees to pay all fees including plan check, building permit, General Plan Maintenance, Business License, and Tree Removal as specified by each respective City Ordinance and/or the City's Master Fee Schedule.
6. All construction and related activities which require a City building permit shall be allowed only during the hours of 8:00 a.m. to 5:00 p.m. Monday through Friday, and 10:00 a.m. to 5:00 p.m. on Saturdays. No construction activity or related activities shall be allowed outside of the aforementioned hours or on Sundays and the following holidays: New Year's Day, President's Day, Memorial Day, 4th of July, Labor Day, Thanksgiving Day and Christmas Day. All gasoline powered construction equipment shall be equipped with an operating muffler or baffling system as originally provided by the manufacturer, and no modification to these systems is permitted.
7. Exterior building lighting shall not spill off the property or cause significant glare for adjacent properties. All external project lighting shall be downcast or upcast, shielded

lighting designed to illuminate entry-ways only, with no direct visibility of the light source from the street.

8. Prior to issuance of building permits for the project, the applicant shall submit a full set of plans (as submitted for Planning Commission review) for peer review by the City Geologist who shall make findings as to concurrence with the Geoforensics Geotechnical Investigation dated June 27, 2013, and the October 29, 2013 recommendations of the City Geologist (Cotton Shires & Associates) and as to additional conditions of project approval that may be imposed by the City Geologist to include, but not limited to, plan review by a Geotechnical consultant during the building permitting process and field inspection by the Geotechnical consultant during construction as prescribed in the report.
9. During construction activities which require frequent vehicle movements onto and off of the site, such as grading and site work, the applicant shall be required to provide flag persons on each side of the site on El Camino Real to direct traffic to ensure that these vehicle movements can be completed safely.
10. The applicant shall provide a written plan for construction staging and storage areas. This information shall be submitted in conjunction with application for a building permit for City review and approval.
11. All retaining walls in the front and side yards that are visible from the public right-of-way shall comply with Section 9-47 of the Belmont Municipal Code.
12. The applicant shall be required to notify all property owners/residents/commercial tenants within a 300-foot radius of the subject, and all property owners and tenants adjacent to the project site, prior to any/all grading operations fourteen days prior to grading – such notification shall include the following:
 - a. A statement of the published haul route for the cut/fill work.
 - b. A description of the staging area(s) for all equipment involved with the project cut/fill work.
 - c. The dates or a timeframe in which the cut/fill work for the project is expected to take place.
 - d. Contact Information for the project construction manager, dust/noise control coordinator.
13. The approval or conditional approval of a Vesting Tentative Map shall be valid for a period of twenty-four (24) months from the date of approval by the City Council. Such approval or conditional approval may be extended for a period not to exceed two (2) additional years by the City Council upon written request, providing such request is made prior to the expiration of the approval or conditional approval period.

14. Any failure to record a Final Map within two (2) years from the approval or conditional approval of the Vesting Tentative Map, or any extension thereof granted, shall terminate all proceedings.
15. A Final Map shall be prepared in conformance with the approved Vesting Tentative Map and presented to the City Clerk after a certificate has been executed by the City Engineer, and the registered civil engineer or licensed land surveyor who prepared the map, certifying compliance with all conditions of approval.
16. The Final Map shall meet all requirements of a Vesting Tentative Map, as set out in the California Subdivision Map Act and the City of Belmont Subdivision Ordinance, and when improvements or dedications are required, shall be accompanied by a guaranty of title, any separate instruments of dedication or deeds and improvement agreement, all as set out in Section 10.5.
17. Prior to recordation of the Final Map, C.C. & R.'s which would apply to the project shall be submitted for review and approval of the Community Development Director, in consultation with the Director of Public Works, and the City Attorney. As a minimum, the C.C.&R.'s shall provide the following:
 - a. Statement and ownership and application of C.C. & R.'s to owners and occupants. This section shall specifically and irrevocably subject owners and occupants to the provisions of the C.C. & R.'s.
 - b. Section describing voting rights, vote distribution, majority, quorum and proxies. This section shall provide that the subdivider shall have all of the rights and responsibilities of an owner prior to sale of each unit.
 - c. Section describing the administration and responsibilities of the association. Association responsibilities shall include administration of the project, preparing and approving an annual budget, establishing and collecting monthly assessments, maintaining the project, the levying penalties for non-compliance with the C.C. & R.'s.
 - d. Section describing the composition, powers and duties and method of electing a Board of Directors and Association Officers.
 - e. Section describing the obligations of owners. This section shall include provisions for: monthly assessments, maintenance and repair of individual units, use of units, internal structural alterations, use of common areas and facilities, rights-of-entry for repair and emergency, rules of conduct.
 - f. Section prohibiting the dissolution of the association with dissolution of the condominiums. This section shall also prohibit sale or development of the land owned in common without prior approval of the City.

- g. Section providing that the homeowners association may be permitted to terminate a management agent selected by the developer upon three months' notice.
18. Prior to recordation of the Final Map, the subdivider and subsequently the Homeowners Association shall enter into a continuing maintenance agreement with the City of Belmont, which provides for the satisfactory maintenance of the subject project.
19. Prior to the recordation of the Final Map, the subdivider shall submit one set of reproducible Mylar drawings and specifications of all "as built" improvements, all engineering calculations, soils reports and other information required by the City Engineer and Building Official. The Homeowners Association shall also be provided with one Mylar set of the above items at the time of conversion. The City shall retain the information for the life of the structure.
20. The applicant/property owner/developer shall be required to fulfill all Mitigations of the Initial Study/Environmental Assessment for the Project.
21. The applicant shall contribute a Park-In-Lieu Fee as per Section 6.10 of the Belmont Subdivision Ordinance to fund improvement of existing or future park facilities within the City in the amount of \$915,200 (\$28,600 per unit). Said payment shall be made prior to recordation of the Final Map.
22. The applicant shall pay tree removal and in-lieu replanting fees, as identified in the report prepared by the City Arborist, and in conjunction with the Planning Commission review and approval of the Tree Removal Permit for the project.
23. The following geotechnical conditions of approval are required:
- a. Geotechnical Plan Review. The Project Geotechnical Consultant shall review and approve all geotechnical aspects of the project building and grading plans (i.e., site preparation and grading, site drainage improvements and design parameters for foundations, retaining walls and driveway) to ensure that their recommendations have been properly incorporated. The consultant should review and approve all geotechnical design aspects of shoring designs needed for deep project excavations.
 - b. The results of the plan reviews shall be summarized by the Project Geotechnical Consultant in a letter and submitted to the City for review and approval by the City Engineer prior to acceptance of documents for building permit plan-check.
 - c. Geotechnical Field Inspection. The Project Geotechnical Consultant shall inspect, test (as needed), and approve all geotechnical aspects of the project construction. The inspection shall include, but not necessarily be limited to: site preparation and grading, site surface and subsurface drainage improvements, and excavations for foundations and retaining walls prior to the placement of steel concrete.

- d. The results of these inspections and the as-built conditions of the project shall be described by the Project Geotechnical Consultant in a letter and submitted to the City for review and approval prior to final (granting of occupancy) project approval.
24. The project shall comply with the City of Belmont Noise Ordinance. In addition, the following is required in order to minimize the potential annoyance from construction noise at nearby noise-sensitive receptors:
- a. Neighbors (residents/tenants) located adjacent to the project site shall be notified in writing of the construction schedule.
 - b. Power construction equipment shall be turned off when not in use.
 - c. All stationary noise-generating construction equipment, such as air compressors, shall be located as far as practical from existing nearby properties.
 - d. A construction disturbance coordinator shall be designated for the site. A coordinator approved by the City shall be hired by the project sponsor and perform on an on-call basis paid for by the project sponsor. The coordinator shall be responsible for receiving and acting on complaints about construction noise when activities are occurring. The coordinator shall determine the cause and implement remedial measures as necessary to alleviate significant noise problems. The telephone number of the coordinator shall be clearly posted on a sign at each construction site entrance.

EXHIBIT/ATTACHMENT “D”

PERFORMANCE STANDARDS - CONCEPTUAL DEVELOPMENT PLAN (CDP) FOR
PLANNED DEVELOPMENT (PD) AND VESTING TENTATIVE MAP
576-600 EL CAMINO REAL
(APPL. NO.PA2013-0054)

**I. COMPLY WITH THE FOLLOWING CONDITIONS OF THE COMMUNITY
DEVELOPMENT DEPARTMENT:**

- A. The following conditions shall be shown on plans submitted for a building permit and/or site development permit or otherwise met prior to issuance of the first building permit (i.e., foundation permit) and shall be completed and/or installed prior to occupancy and remain in place at all times that the use occupies the premises except as otherwise specified in the conditions:

Building Division

1. Plans submitted for building permit and all construction shall conform to the approved plans on file in the Planning Division for Appl. No. 2013-0054.
2. The applicant shall obtain all required permits.
3. This project is subject to the School Facilities Fee. Proof of payment must be presented to the City of Belmont before the permit will be issued. Contact the Sequoia Union School District directly for further information.
4. Pursuant to the Belmont Department Ordinance #2011-1, Section 1003.2.9.2(A), the building shall include a fire sprinkler system and the plan will be a deferred submittal.
5. Retaining walls shall be designed by a civil engineer.
6. The City of Belmont Municipal Code requires a soils and engineering geology report for all new or substantially altered foundations. Provide such a report and a letter from the geotechnical engineer confirming that the foundation plan has been reviewed and that it has been determined that the recommendations in the soils report are properly incorporated into the plans. BMC 7-12, IBC 106.1&1804.3.
7. The applicant shall provide a record of survey.
8. The building permit plans shall show the location of all transformers, fire standpipes, and back-flow preventers.
9. The applicant shall post hours of operation and phone numbers for noise complaints.
10. The applicant shall provide space for recycling containers.
11. The applicant shall provide list of construction and demolition recycling service providers.

PERFORMANCE STANDARDS

CDP-PD and Vesting Tentative Map

Mixed-Use Development – 576-600 El Camino Real – PA 2013-0054

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12. Contractors and subcontractors shall make a good faith effort to contact construction and demolition recycling providers.
13. The applicant shall notify all contractors and subcontractors of Belmont expectations of maximizing diversion of solid waste.
14. The applicant shall investigate opportunities for salvaging material for reuse.
15. Building plans shall specify that the 2009 IBC, 2009 UPC, 2009 UMC and 2008 NEC as amended by the State of California and all applicable City of Belmont ordinances will be employed during this project.

EXHIBIT/ATTACHMENT "D"

PERFORMANCE STANDARDS - CONCEPTUAL DEVELOPMENT PLAN (CDP) FOR
PLANNED DEVELOPMENT (PD) AND VESTING TENTATIVE MAP
576-600 EL CAMINO REAL
(APPL. NO.PA2013-0054)

II. COMPLY WITH THE FOLLOWING CONDITIONS OF THE BELMONT FIRE DEPARTMENT:

1. Plans shall identify fire-rated exterior walls and protected openings.
2. An automatic fire extinguishing system is required. The building plans shall denote the locations of the following devices: Double Detector Check Valve; Post Indicator Valve; Fired Department Connection; Fire Sprinkler Riser located on the exterior of the building; and Fire Alarm Bell.
3. Fire Department Access is required to within 100 feet of all parts of the building perimeter. Access Roads shall be a minimum of 20 feet in clear unobstructed width, 13 feet 6 inches clear unobstructed height, and an all-weather road capable of supporting 80,000 pound 6 wheeled vehicle. Fire Department Access Roadways shall be identified on the plans.
4. Plans must show the location of the nearest Fire Hydrant on the site plan. There shall be one located within 180 feet of the subject property, and shall flow a minimum of 4250 gpm at 20 psi. If there is not one present, you will be required to provide one. Additional hydrants may be required based on site plan submittal. The minimum water flow from each hydrant shall be 1,500 gpm at 20 psi. A cumulative total of 4250 gpm shall be accomplished and maintained for a period of not less than 4 hours.
5. The building shall require a Knox key-lock box. The applicant shall contact the fire department at 650-637-2939 to determine the approved location and delineate the location of the lock box on the building permit plans.
6. A separate application and permit are required for the installation or alteration of any Automatic Fire Extinguishing System. An application shall be made by either a Registered Engineer or by the Licensed Fire Sprinkler Contractor who will be performing the work. This shall include any Fixed Fire Protection System. A valid Permit and Approved Plans shall be at the jobsite at all times.
7. Prior to application for a Fire Sprinkler Permit, the applicant shall submit plans to Mid-Peninsula Water District for their review and approval (MPWD at 650-591-8941).
8. A separate application and permit are required for the installation or alteration of any Fire Alarm, or Water-flow Monitoring System. This shall include the interconnection of any Fixed Fire Protection System to an Alarm System where provided. A valid Permit and Approved Plans shall be at the jobsite at all times.

9. A separate application and permit are required for the installation of any underground fire service lines. Application shall be made by a Registered Engineer or by either a General Engineering Contractor or a Licensed Fire Sprinkler Contractor, who will be performing the work.
10. Every building, or structure, shall be provided with an address. Numerals shall be located where clearly visible from the street or roadway upon which it fronts. Residential Structures shall have numerals a minimum of 4 inches in height and of ½ stroke. Commercial Structures shall have numerals a minimum of 6 inches in height and ¾ inch stroke. Numerals shall be of contrasting color to their background and illuminated at night. Numerals shall be white in color where located upon glazing.
11. All Fire Inspections are performed on Wednesdays between 9AM-2PM, unless special arrangements are made with the Fire Inspector. The applicant shall call 650-637-2939 a minimum of 48 hours in advance to place an inspection request. The applicant will receive a confirmation call within 24 hours of the request.
12. On plans submitted for a Building Permit, show location of all required Smoke Alarms and Carbon Monoxide Alarms in accordance with CRC Sections 314 & 315.
13. On Plans submitted for a Building Permit, identify the size of bedroom windows, demonstrating that they meet egress requirements of CRC 310.
14. In accordance with the Municipal/Regional Stormwater Permit no fire sprinkler system drain shall discharge into any Storm Drain System. The system shall discharge to either a landscape area large enough to contain the outflow, or to the Sanitary Sewer by means of an indirect connection. The applicant shall show the location of the Fire Sprinkler System drain on plans submitted for a building permit.

III. COMPLY WITH THE FOLLOWING CONDITIONS OF THE BELMONT POLICE DEPARTMENT:

1. All activities shall be subject to the requirements of the Belmont Noise Ordinance.
2. No debris boxes or building materials shall be stored on the street.
3. Flag persons shall be positioned at both ends of blocked traffic lanes.
4. 24-hour written notice to the Police Department is required before any lane closure.

EXHIBIT/ATTACHMENT “D”

PERFORMANCE STANDARDS - CONCEPTUAL DEVELOPMENT PLAN (CDP) FOR PLANNED DEVELOPMENT (PD) AND VESTING TENTATIVE MAP 576-600 EL CAMINO REAL (APPL. NO.PA2013-0054)

IV.COMPLY WITH THE FOLLOWING CONDITIONS OF THE PUBLIC WORKS DEPARTMENT:

- A. The following conditions shall be shown on plans submitted for a building permit and/or site development permit or otherwise met prior to issuance of the first building permit (i.e., foundation permit) and shall be completed and/or installed prior to occupancy and remain in place at all times that the use occupies the premises except as otherwise specified in the conditions.

Public Improvements

- A Street widening, improvements, and dedications shall be in accordance with City Standards and specifications as required by the Department of Public Works.
- A New curb and gutter shall be installed in accordance with the Department of Public Works approved standards.
- A New sidewalk, curb and gutter shall be installed in accordance with the Department of Public Works approved standards.
- A The unused driveway shall be removed and replaced with sidewalk, curb and gutter in accordance with Department of Public Works approved standards.
- A A commercial driveway approach shall be installed in accordance with Department of Public Works approved standards.

Grading and Drainage

- A Roof leaders and site drainage shall be directed to a vegetated area onsite or the City stormwater drainage system. A dissipator box or other energy reduction method shall be used.
- A The owner/applicant shall submit C3 & C6 stormwater pollution prevention checklist, impervious calculation checklist and BMP measures checklist prior to design review approval.

Utilities

- A The owner/applicant shall submit a sanitary sewage plan. Flows from the proposed development shall be estimated and their impact on the existing City collection system analyzed. Mitigation measures may be required to upgrade the City system.

Subdivisions

- A Submit subdivision plans in conformance with the Subdivision Map Act and City Subdivision Ordinance No. 530. Final plans shall be drafted in AutoCad and submitted on CD-ROM.
- A The owner/applicant shall pay planned drainage fees in accordance with City ordinances.

NPDES Stormwater Controls (General)

- A New buildings such as food service facilities and/or multi-family residential complexes or subdivisions shall provide a roofed and enclosed area for dumpsters and recycling containers. The area shall be designed to prevent water run-on to the area and runoff from the area and to contain litter and trash, so that it is not dispersed by the wind or runoff during waste removal.

MRP Regulated Project:

- A Project shall comply with all requirements of the Municipal Regional Stormwater NPDES Permit Provision C.3. Please refer to the San Mateo Countywide Water Pollution Prevention Program's (SMCWPPP) C.3 Stormwater Technical Guidance Manual for assistance in implementing LID measures at the site. *[Optional: http://www.flowstobay.org/bs_new_development.php]*.
- A *[Redevelopment Projects that result in an alteration of 50% or more of the existing impervious surface]* Treatment controls shall be designed and sized to treat run-off from the entire redevelopment project (including all existing, new, and/or replaced impervious areas) using flow or volume based sizing criteria specified in Provision C.3.d of the Municipal Regional Stormwater Permit.

Source Control Conditions [Staff must require all applicable source controls for C.3 Regulated Projects]:

- A Trash storage areas (including recycling or food compactor areas or similar areas), wash areas, loading docks, repair/maintenance bays, and equipment or material storage areas shall be completely covered and bermed to ensure that no stormwater enters the covered area. Covered areas shall be sloped so that spills and washwater flow to area drains connected to the sanitary sewer system, subject to the local sanitary sewer agency's authority and standards.
- A Interior level parking garage floor drains, and any other interior floor drains, shall be connected to the sanitary sewer system, subject to the local sanitary sewer agency's authority and standards.
- A Efficient irrigation systems shall be used throughout all landscaped areas in accordance with the Model Water Efficient Landscape Ordinance.

- A On-site storm drain inlets shall be clearly marked with the words "No Dumping! Flows to Bay," or equivalent using thermoplastic material or a plaque.
- A Boiler drain lines, roof top equipment with drain lines, and/or equipment for washing and/or steam cleaning activities shall be connected to the sanitary sewer system, subject to the local sanitary sewer agency's authority and standards.
- A Projects with architectural copper should, if possible, purchase copper materials that have been pre-patinated at the factory. Whether patination is done offsite or onsite, applicant should consider coating the copper materials with an impervious coating that prevents further corrosion and runoff. If patination is done on-site, implement one or more of the following:
 - Discharge the rinse water to landscaping. Ensure that the rinse water does not flow to the street or storm drain. Block off storm drain inlet if needed.
 - Collect rinse water in a tank and pump to the sanitary sewer. Contact your local sanitary sewer agency before discharging to the sanitary sewer.
 - Collect the rinse water in a tank and haul off-site for proper disposal.

Site Design Conditions [At least one site design measure must be implemented for C3 Regulated Projects]:

- A Direct roof runoff into cisterns/rain barrels and use rainwater for irrigation or other non-potable use.
- A Direct roof runoff onto vegetated areas. Stormwater treatment of the roof runoff is not required if the vegetated area is designed as a self-retaining area, as described in Section 4.3 of the C.3 Technical Guidance.
- A Direct runoff from sidewalks, walkways, and/or patios onto vegetated areas. Stormwater treatment of the roof runoff is not required if the vegetated area is designed as a self-retaining area, as described in Section 4.3 of the C.3 Technical Guidance.
- A Construct sidewalks, walkways, patios, bike lanes, driveways, and/or uncovered parking lots with permeable surfaces. These include porous pavement (asphalt and concrete), turf block, and permeable joint pavers. Use of permeable surfaces may reduce the size of the required treatment measure by lowering the amount of runoff generated, however, run-off from permeable surfaces will not be exempt from having to receive treatment unless properly designed as "self-treating areas" or "self-retaining areas". Refer to sections 4.2 or 4.3 of the C.3 Tech Guidance, respectively.
- A Minimize land disturbance and impervious surface (especially parking lots).
- A Maximize permeability by clustering development and preserving open space.
- A Use micro-detention, including distributed landscape-based detention.

Green Roofs

- A Green roofs are considered self-treating areas if the green roof planting media is sufficiently deep to provide capacity within the pore space of the media to capture 80 percent of the average annual runoff, and to support the long-term health of the vegetation selected for the green roof, as specified by the landscape architect or other knowledgeable professional.
- A If the green roof system receives runoff from non-vegetated areas of the roof, such as mechanical/HVAC equipment areas or impervious walkways, the depth of the media must be increased to account for the additional runoff.

Treatment Control Conditions

[Refer to the project's completed C.3 and C.6 Development Review Checklist or Stormwater Requirements Checklist to identify the applicable type of treatment control. Conditions of Approval are presented for the following types of treatment controls: Infiltration Measures or Devices, Rainwater Harvesting, Biotreatment Measures, and Special Projects Proposing Non- LID Treatment Measures.]

Infiltration Measures (Bioinfiltration and Infiltration Basins) or Infiltration Devices (Dry Wells and Infiltration Trenches) [Apply the following Conditions of Approval if applicant demonstrated during the Planning Phase that it is feasible to infiltrate 80% of the average annual runoff volume]:

- A In-situ infiltration rate shall be determined or confirmed by means of percolation testing for all infiltration treatment measures and devices.
- A Infiltration devices shall not be used where confirmed seasonal high groundwater is less than 10 feet from the bottom of infiltration measure or device.
- A Infiltration treatment measures or devices shall be designed in accordance with the infiltration guidance in Appendix E of the C.3 Technical Guide.

Rainwater Harvesting [Apply the following Conditions of Approval if applicant demonstrated during the Planning Phase that it is feasible for the project to harvest and use 80% of the average annual runoff volume]:

- A Applicant shall submit with the Stormwater Management Plan final harvested water demand calculations for the project. Sources of demand should only be included in the final calculations if they are reliably and consistently present during the wet season.
- A Applicant shall ensure that harvest and re-use systems (number and dimensions of cisterns/rain barrels) are sized to accommodate the treatment volume defined in Provision C.3.d of the MRP while meeting drawdown requirements and harvested water demand.

Biotreatment Measures:

[Apply the following Conditions of Approval ONLY when the applicant has demonstrated that it is infeasible to infiltrate or harvest and use 80% of the average annual runoff volume.]

- A Biotreatment measures (including bioretention areas, flow-through planters and non-proprietary tree well filters) shall be sized to treat run-off from 100% of the applicable drainage area (all impervious areas and applicable landscaped areas) using flow or volume based sizing criteria as described in the Provision C.3.d of the MRP, or using the simplified sizing method (4% rule of thumb), described in the C.3 Technical Guidance and based on the flow-based sizing criteria in Provision C.3.d.i.(2)(c). *Alternative biotreatment measure that is not in the C.3 Technical Guidance concept shall be pre-approved by the Planning Department.*

Special Projects Proposing High Flow-Rate Tree Well Filters and/or High Flow-Rate Media Filters

[High flow-rate tree well filters and high flow-rate media filters may be used ONLY for Special Projects that meet the criteria specified in Provision C.3.e.ii and ONLY for the percentage of stormwater runoff for which the project is allowed to use non-LID treatment as shown on the project's completed Special Projects Worksheet]:

- A Design of non-LID treatment measures shall be consistent with applicable technical guidance in Chapter 6 of the C.3 Technical Guidance.
- A Project documentation for Special Projects proposing to use high flow-rate tree well filters and/or media filters shall include the following information for municipal staff to prepare a narrative discussion of the feasibility or infeasibility of 100% LID treatment:
 - o Completed C.3 and/or C.6 Development Review Checklist or Stormwater Requirements Checklist, including the section regarding feasibility of infiltration and rainwater harvesting and use.
 - o A description of the site drainage, including the site slope, direction of flow, and how the site was divided into drainage management areas that will each drain to a separate stormwater treatment measure.
 - o A description of any drainage management areas for which self-treating or self-retaining areas (such as pervious pavement, green roofs or landscaped areas) or LID treatment measures are provided.
 - o An explanation of how the routing of drainage has been optimized to route as much drainage as possible to LID features and facilities (if any).

- A description of constraints to providing on-site LID, including a description of portions of the site that are proposed to drain to tree-box type high flow rate biofilters and/or vault-based high flow rate media filters include some areas that are not covered by buildings. This description shall explain why pervious paving is not used for impervious paved areas that are proposed to drain to a non-LID treatment measure, and it shall explain why LID measures cannot be constructed in any proposed landscaped areas within an area that is proposed to drain to a non-LID treatment measure.
- A description of constraints to providing off-site LID, including a statement regarding whether the project applicant owns or otherwise controls land within the same watershed of the project that can accommodate in perpetuity off-site bioretention facilities adequately sized to treat the runoff volume of the primary project.

Operation & Maintenance (O&M) Conditions:

- A Property Owner shall enter into a Maintenance Agreement with the municipality to ensure long-term maintenance and servicing by the Property Owner of stormwater site design and treatment control *[and/or HM]* measures according the approved Maintenance Plan(s). The Maintenance Agreement shall be recorded for the property and/or made part of the CC&Rs.

Installation Conditions:

MRP Non-Regulated Projects (including individual single-family home projects)

Source Control Conditions {Municipal staff shall consider requiring applicable source controls for non-regulated projects.}"

- A Trash storage areas (including recycling or food compactor areas or similar areas), wash areas, loading docks, repair/maintenance bays, and equipment or material storage areas shall be completely covered and bermed to ensure that no stormwater enters the covered area. Covered areas shall be sloped to drain to area drains connected to the sanitary sewer system, subject to the local sanitary sewer agency's authority and standards.
- A Discharges from indoor/outdoor mat/equipment/hood filter wash racks or covered outdoor wash racks for restaurants shall be plumbed to the sanitary sewer system, subject to the local sanitary sewer agency's authority and standards.
- A Interior level parking garage floor drains, and any other interior floor drains, shall be connected to the sanitary sewer system, subject to the local sanitary sewer agency's authority and standards.

- A Efficient irrigation systems shall be used throughout all landscaped areas in accordance with the Model Water Efficient Landscape Ordinance [or comparable local ordinance].
- A On-site storm drain inlets shall be clearly marked with the words "No Dumping! Flows to Bay," or equivalent using thermoplastic material or a plaque.
- A Swimming pools, hot tubs, spas and fountains shall have a connection to the sanitary sewer, subject to the local sanitary sewer agency's authority and standards. This connection could be a drain in the pool to the sanitary sewer or a cleanout located close enough to the pool so that a hose can readily direct the pool discharge into the sanitary sewer cleanout.
- A Fueling areas shall be separated from the rest of the site by a grade break that prevents run- on of stormwater, and covered by a canopy that extends a minimum of 10 feet in each direction from each pump.
- A Boiler drain lines, roof top equipment with drain lines, and/or equipment for washing and/or steam cleaning activities shall be connected to the sanitary sewer system, subject to the local sanitary sewer agency's authority and standards.
- A Projects with architectural copper should, if possible, purchase copper materials that have been pre-patinated at the factory. Whether patination is done offsite or onsite, applicant should consider coating the copper materials with an impervious coating that prevents further corrosion and runoff. If patination is done on-site, implement one or more of the following:
 - o Discharge the rinse water to landscaping. Ensure that the rinse water does not flow to the street or storm drain. Block off storm drain inlet if needed.
 - o Collect rinse water in a tank and pump to the sanitary sewer. Contact your local sanitary sewer agency before discharging to the sanitary sewer.
 - o Collect the rinse water in a tank and haul off-site for proper disposal.

Site Design Conditions [Projects subject to Provision C.3.i must implement N-16; Municipal staff shall consider requiring applicable site design measures for non-regulated projects]:

- A Projects subject to Provision C.3.i (individual single-family home projects that create and/or replace 2,500 square feet or more of impervious surface, and other projects that create and/or replace at least 2,500 square feet of impervious surface but are not C.3 Regulated Projects, shall implement at least one of the six site design measures listed below:

- A Direct roof runoff into cisterns or rain barrels and use rainwater for irrigation or other non-potable use.
 - A Direct roof runoff onto vegetated areas.
 - A Direct runoff from sidewalks, walkways, and/or patios onto vegetated areas.
 - A Minimize land disturbance and impervious surface (especially parking lots).
 - A Maximize permeability by clustering development and preserving open space. Use micro-detention, including distributed landscape-based detention.
 - A Protect sensitive areas, including wetland and riparian areas, and minimize changes to the natural topography.
- B. The following conditions shall be met prior to the issuance of the first building permit (i.e., foundation permit) and/or site development permits except as otherwise specified in the conditions.**

Public Works Permits

- B The property owner/applicant shall apply for and obtain temporary encroachment permits from the Department of Public Works for work in the City public right-of-way, easements or property in which the City holds an interest, including driveway, sidewalk, sewer connections, sewer clean-outs, curb drains, storm drain connections, placement of a debris box.
- B Property owner/applicant shall apply for and obtain a grading permit from the Department of Public Works. The grading permit fee is based on the total amount of earth moved including cut and fill.

Other Agency Permits

- B Construction activity resulting in a land disturbance of one acre or more, or less than one acre but part of a larger development shall obtain the Construction Activities Storm Water General Permit (General Permit) from the State Water Quality Control Board (<http://www.scrwb.ca.gov/stormwtr/construction.html> or (916) 341-5537). The State requires a completed Notice of Intent to comply (NOI) package and a Storm Water Pollution Prevention Plan (SWPPP) prepared in accordance with Section A of the General Permit prior to the commencement of soil disturbing activities. The State will issue a Waste Discharge Identification (WDID) number within 10 business days after it receives a complete NOI package (original signed NOI, vicinity map, and check). Applicant shall also submit copies of the NOI and SWPPP to the City for review and approval. Throughout the project life, the SWPPP shall be revised as necessary to accommodate site changes during to construction.
- B Verify location of utility meters, valves, back flow preventers, and hydrants with appropriate utility company. Show relationship of each to site improvements, such as retaining walls.

Public Improvements

Grading and Drainage

- B The owner/applicant shall submit a grading plan prepared by a California-registered Civil Engineer in accordance with City Grading Ordinance, Chapter 9, Section 3 of the City Code, with a grading permit application, for approval by the Department of Public Works and Building Division prior to any grading or clearing being performed on-site.
- a) The applicant should note that if the proposed grading meets one or more of the criteria outlined in Section 9-23 of the City Code, a Planning Commission review will be required. Caution: If the total grading quantity changes after Planning Commission approval, a new grading approval may be required. The applicant may choose to complete the grading plan and calculations early in the planning process to limit delays in scheduling this review. (See Section 9-28 of City Code for review process). The plan shall incorporate the following restrictions:
 - b) All soils stockpiled on the site during construction shall be covered or otherwise protected from wind and water erosion.
 - c) During construction, erosion and sedimentation control plans shall be implemented in order to retain sediments on-site.
 - d) Site grading and finished construction shall be designed and executed in such a manner as to avoid diverting runoff onto other properties.
 - e) Restrictions and recommendation of the Geologic and Soils report as approved by the City Geologist
- B The owner/applicant shall submit a dust control plan for approval by the Department of Public Works. To reduce dust levels, exposed earth surfaces shall be watered as necessary. The application of water shall be monitored to prevent runoff into the storm drain system. Spillage resulting from hauling operations along or across any public or private property shall be removed immediately. Dust nuisances originating from the contractor's operations, either inside or outside of the right-of-way shall be controlled – the measures shall include:
- a) Water all active construction sites at least twice daily.
 - b) Cover all trucks hauling soil, sand, and other loose materials or require all trucks to maintain at least two feet of freeboard.
 - c) Pave, apply water three times daily, or apply (non-toxic) soil stabilizers on all unpaved access roads, parking areas, and staging areas at construction sites.
 - d) Sweep daily (with water sweepers) all paved access roads, parking areas and staging areas at construction sites.
 - e) Sweep streets daily (with water sweepers) if visible soil material is carried onto adjacent public streets.

- f) Hydroseed or apply (non-toxic) soil stabilizers to inactive construction areas (previously graded areas inactive for ten days or more).
 - g) Enclose, cover, water twice daily, or apply non-toxic soil binders to exposed stockpiled materials.
 - h) Install sandbags or other erosion-control measures to prevent silt runoff to public roadways.
 - i) Replant vegetation in disturbed areas as quickly as possible.
 - j) Watering should be used to control dust generation during the break-up of pavement.
 - k) Cover all trucks hauling demolition debris from the site.
 - l) Use dust-proof chutes to load debris into trucks whenever feasible.
 - m) Water or cover stockpiles of debris, soil, sand or other materials that can be blown by the wind.
 - n) All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified mechanic and determined to be in proper running order prior to operation.
 - o) Diesel powered equipment shall not be left inactive and idling for more than five minutes, and shall comply with applicable BAAQMD rules.
 - p) Use alternative fueled construction equipment, if possible.
 - q) All vehicle speeds on unpaved roads shall be limited to 15 mph.
 - r) Post a visible sign with the telephone number and person to contact at the Lead Agency regarding dust complaints. This person shall respond and take corrective action within 24 hours. The Air District phone number shall also be visible to ensure compliance with applicable regulations.
- B The proposed development may add or replace the impervious surface area of the property. The applicant shall provide calculations showing the total impervious area of the completed project with the building permit application. Calculations shall be submitted to the Department of Public Works for review and approval.
- B Storm drainage calculations shall be required for all storm drains and overland flows. Drainage shed maps shall be submitted showing all upstream acreage and run-off coefficients for each tributary area. Overland flow paths and site release points shall be clearly identified. Calculations shall be submitted to the Department of Public Works for review and approval.
- B A written report prepared by a Geotechnical Engineer shall be submitted in accordance with Section 9-36 of the City Code.

Utilities

- B Applicant must possess a valid sewer lateral certificate issued under City Ordinance Section 21-213 before receiving a final building permit for:

- (a) Improvements valued by the building official at \$200,000 or more, or
 - (b) Work associated with a change in water service (e.g. change in meter size or adding a second meter).
- B Applicant shall install the sanitary sewer connection in accordance with Department of Public Works approved standards and pay the applicable sewer connection fee.
- B Sanitary sewer to include a back flow prevention device.
- B If PG&E is requiring the developer to put in the gas and/or electrical connection, then the developer must submit plans for the encroachment to the Department to Public Works.

Subdivisions

- B The subdivision agreement shall provide for payment of all grading permit fees and inspection charges including the reviews by the City's Consultant Geologist in accordance with the City's Grading Ordinance.
- B The subdivision agreement shall provide for payment of all City inspection and plan check charges associated with the installation of public and private improvements including, but not limited to, streets, sanitary sewers, storm drains and street lights. A cash deposit shall be made in accordance with the fee schedule, against which the City will assess its costs. A refund or additional charge will be made at the conclusion of construction.
- B All utilities to each lot including, but not limited to, electric power, telephone, cable television, and street lights, shall be provided underground.
- B The owner/applicant shall provide a street light plan for subdivision streets that includes an evaluation of the need for the construction of additional street lighting on all adjacent streets.
- B Storm drainage, sanitary sewer, and emergency vehicle access easements shall be provided to the City as necessary.
- B The developer shall provide documentation from Mid-Peninsula Water District, PG&E, Pacific Bell, and AT&T Broadband cable TV that these utilities will provide service to the subdivision.
- B The developer shall post maintenance bonds for all improvements to be dedicated to the City for a period of one year after the date of acceptance by the City.
- B The owner/applicant shall provide field survey data to permit retracing all survey monuments set to establish the street right-of-way both public and private. A copy of the final subdivision map including property liens, final contours, street improvements, parking, sewer and storm drains shall be provided using AutoCad drawing files (scale 1"=2').
- B The owner/applicant shall provide a traffic control plan for all construction staging and storage areas.
- B The owner/applicant shall conduct a signalization study to analyze improvements to existing traffic signal(s) or addition of new traffic signals needed to mitigate additional traffic from the proposed development.

- B The owner/applicant shall conduct a traffic study to analyze improvements to the existing traffic conditions need to mitigate additional traffic from the proposed development.
- B The owner/applicant shall analyze the existing storm drain system from the property boundary to the outfall. On-site drainage facilities such as catch basins and storm drain pipes shall be designed to collect runoff from a storm of 10-year return frequency. Should any deficiency in this system be found that would be affected by increased runoff from the project site, the owner/applicant shall improve the downstream system or contribute a proportionate share of the cost for improvements as determined by the Public Works Department.
- B The owner/applicant shall analyze the existing sewer system from the property boundary to the nearest pump station or main trunk line to determine its capacity to handle increased seer flows from this development. Should any deficiency in this system be found, the owner/applicant shall improve the downstream system or contribute a proportionate share of the cost for improvements as determined by the Public Works Department.
- B The owner/applicant shall provide an evaluation of the need for the construction of additional street lighting on all streets fronting the property.
- B Applicant shall provide receptacles for recycling. Containers shall segregate glass, plastic and aluminum containers and paper. Property manager shall ensure these materials are recycled, by adding these materials to the regular recycle stream for on-site pick up by BFI or by returning them for redemption.
- B The owner/applicant shall provide a plan showing all the site improvements and utility trench locations. The plan shall indicate the location of all the protected trees and protection fences on site. No utility trench shall encroach within the protection fence areas.
- B Location of monument signs must be determined by a licensed engineer who will certify that line of sight will not be blocked and there is sufficient sight distance at the intersection. Engineer shall provide analysis to the city for review.

NPDES Stormwater Controls (General)

- B The applicant shall submit an erosion and sedimentation control plan describing Best Management Practices (BMPs) to be used to prevent soil, dirt, and debris from entering the storm drain system. The plan shall include the following items:
 - a) A site plan showing the property lines, existing and proposed topography, and slopes; areas to be disturbed, locations of cut/fill and soil storage/disposal area; areas with existing vegetation to be protected; existing and proposed drainage patterns and structures; watercourses or sensitive areas on-site or immediately downstream of project; and designated construction access routes, staging areas and washout areas.
 - b) Erosion and sediment controls to be used during construction, selected as appropriate from the California Regional Water Quality Control Board, San Francisco Bay Region Erosion & Control, P.O. Box 791, Oakland, CA 94604-0791.

- c) Methods and procedures to stabilize denuded areas and install and maintain temporary erosion and sediment control continuously until permanent erosion controls have been established.
 - d) Provision for preventing erosion and trapping sediment on-site, such as sediment basins or traps, earthen dikes or berms, fiber rolls, silt fence, check dams, storm drain inlet protection, soil blankets or mats, covers for soil stock piles and/or other measures.
 - e) Provisions for installing vegetative cover in disturbed areas, including areas to be seeded, planted, and/or mulched, and types of vegetation proposed.
 - f) Provision for diverting on-site runoff around exposed areas and diverting off- site runoff around the project site (e.g., swales and dikes).
 - g) Notes, specifications, and/or attachments describing the construction, operation and maintenance of erosion and sediment control measures, including inspection frequency; methods and schedule for grading, excavation, filling clearing of vegetation and storage and disposal of excavated or cleared material; types of vegetative cover and mulch, including methods and schedules for planting and fertilization; and provisions for temporary and permanent irrigation.
- B All plans shall conform to the requirements of the City NPDES stormwater discharge permit and the San Mateo Stormwater Pollution Prevention Plan (STOPPP). The project plans shall include permanent storm water quality protection measures. The project plans shall identify Best Management Practices (BMPs) appropriate to the uses to be conducted on-site to effectively prohibit the discharge of pollutants with storm water run-off. A Maintenance and Operation Agreement shall be prepared by applicant incorporating the conditions of this section.
- B The developer shall provide to the first residents/occupants /tenants practical information materials (as furnished by the City) on good housekeeping for hazardous products, proper use and disposal of hazardous products, and prohibited discharge practices.
- B All landscaping shall be maintained and shall be designed with efficient irrigation systems to reduce runoff, promote surface filtration, and minimize the use of fertilizers, herbicides and pesticides.
- B The property owner/association shall implement a trash management and litter control program including emptying trash receptacles in common areas, noting trash disposal violations by homeowners or business, and notifying violators.
- B Streets and parking lots must be swept immediately prior to and once during the storm season. Records of street cleaning shall be reported to the Department of Public Works on an annual basis on or before June 30 of each year.
- B No wastewater (including equipment cleaning wash water, vehicle wash water, cooling water, air conditioner condensate, and floor cleaning washwater) shall be discharged to the storm drain system, the street or gutter.

MRP Regulated Project:

- B Applicant shall prepare a Stormwater Management Plan (SWMP) that includes, at a minimum, exhibit(s) showing drainage areas and location of Low Impact Development (LID) treatment measures; project watershed; total project site area and total area of land disturbed; total new and/or replaced impervious area; treatment measures and hydraulic sizing calculations; a listing of source control and site design measures to be implemented at the site; hydromodification management measures and calculations, if applicable; NRCS soil type; saturated hydraulic conductivity rate(s) at relevant locations or hydrologic soil type (A, B, C or D) and source of information; elevation of high seasonal groundwater table; a brief summary of how the project is complying with Provision C.3 of the MRP; and detailed Maintenance Plans for each site design, source control and treatment measure requiring maintenance.
- B LID treatment measures to be shown on final improvement or grading plans shall not differ materially from the LID treatment measures presented on the project's Tentative Map without written approval from the Planning Department.

Source Control Conditions [Staff must require all applicable source controls or C3 Regulated Projects]:

- B Project shall incorporate landscaping that minimizes irrigation and runoff, promotes surface infiltration, minimizes the use of pesticides and fertilizers, and incorporates other appropriate sustainable landscaping practices such as Bay-Friendly Landscaping.
- B Roof drains shall drain away from the building and be directed to landscaping or a stormwater treatment measure.

Site Design Conditions [At least one site design measure must be implemented for C3 Regulated Projects]:

- B Self-treating areas must be designed to store and infiltrate the rainfall that lands on the self-treating area. Refer to Section 4.2 of the C.3 Technical Guidance.
- B Self-retaining areas must be designed to store and infiltrate the rainfall run-off volume described in the MRP Provision C.3.d (80% capture volume), for rainfall that lands on the self-retaining area and the impervious surface that drains to the self-retaining area. Refer to Section 4.3 of the C.3 Technical Guidance.
- B Plant or preserve interceptor trees (Section 4.1, C.3 Technical Guidance).

Treatment Control Conditions

[Refer to the project's completed C.3 and C.6 Development Review Checklist or Stormwater Requirements Checklist to identify the applicable type of treatment control. Conditions of Approval are presented for the following types of treatment controls: Infiltration Measures or Devices, Rainwater Harvesting, Biotreatment Measures, and Special Projects Proposing Non- LID Treatment Measures.]

- B No treatment measures (other than properly sealed and screened cisterns or rain barrels) shall have standing water more than 5 days, for vector control.

Infiltration Measures (Bio-infiltration and Infiltration Basins) or Infiltration Devices (Dry Wells and Infiltration Trenches) [Apply the following Conditions of Approval if applicant demonstrated during the Planning Phase that it is feasible to infiltrate 80% of the average annual runoff volume]:

- B All infiltration devices shall be located and designed to ensure no damage will occur to surrounding improvements from underground water.
- B Soil media within the bio-infiltration measure shall consist of 18 inches of biotreatment soil consistent with the Attachment L of the MRP.
- B Other parameters of final design shall be consistent with the design guidelines presented in the latest version of the C.3 Technical Guidance.

Rainwater Harvesting [Apply the following Conditions of Approval if applicant demonstrated during the Planning Phase that it is feasible for the project to harvest and use 80% of the average annual runoff volume]:

- B Cistern or rain barrel(s) shall be sealed and/or have appropriate screens to prevent entry by mosquitoes.
- B Other parameters of final design shall be consistent with the design guidelines presented in the latest version of the C.3 Technical Guidance.

Biotreatment Measures:

[Apply the following Conditions of Approval ONLY when the applicant has demonstrated that it is infeasible to infiltrate or harvest and use 80% of the average annual runoff volume.

- B Plant species used within the biotreatment measure area shall be consistent with Appendix A of the C.3 Technical Guidance.
- B Biotreatment soil mix for biotreatment measures shall have a minimum percolation rate of 5 inches per hour and a maximum percolation rate of 10 inches per hour, and shall be in conformance with Attachment L of the MRP, which is included in Appendix K of the C.3 Technical Guidance.
- B Design of biotreatment measures shall be consistent with technical guidance for the applicable type of biotreatment measure provided in Chapter 6 of the C.3 Technical Guidance.

Special Projects Proposing High Flow-Rate Tree Well Filters and/or High Flow-Rate Media Filters

[High flow-rate tree well filters and high flow-rate media filters may be used ONLY for Special Projects that meet the criteria specified in Provision C.3.e.ii and ONLY for the percentage of stormwater runoff for which the project is allowed to use non-LID treatment as shown on the project's completed Special Projects Worksheet]:

- B High flow-rate tree well filter products and/or high flow-rate media filter products shall be certified by the Technical Assessment Protocol Ecology (TAPE) of the Washington State Department of Ecology as meeting the TAPE protocol General Use Level Designation for Basic Treatment.
 - For TAPE program information and use level designation statements see: <http://www.ecy.wa.gov/programs/wg/stormwater/newtech/basic.Html>
- B Hydraulic sizing of high flow-rate tree well filters and/or high flow-rate media filters shall meet the hydraulic sizing criteria identified in Provision C.3.d and shall also be sized in accordance with the flow rate that was certified by the Washington State Department of Ecology Technical Assessment Protocol Ecology (TAPE) protocol General Use Level Designation for Basic Treatment.
- B Applicant shall clearly demonstrate, using Manufacturer's cut sheet or equivalent informational material and calculations, that non-LID treatment measures used are adequate for the area requiring treatment.

Hvdromodification Management (HM) Conditions: [Apply the following Conditions of Approval only to projects that create or replace 1 acre or more of impervious area, increase the impervious surface area over pre-project conditions, and are located within the HM Control Area.

- B Flow control structures may be designed to continuously discharge stormwater at the very low flow rate Q_{cp} , where Q_{cp} is 10% of the pre-project 2-year flow.
- B Hydromodification (HM) Controls shall be designed using the Bay Area Hydrology Model (BAHM), unless the applicant uses an alternative continuous simulation hydrologic computer model as described in Attachment E of the MRP. Site-specific data shall be used with BAHM (www.Bayareahydrologymodel.org) or alternate continuous simulation hydrologic computer model.

Operation & Maintenance (O&M) Conditions:

- B A Maintenance Plan for every stormwater treatment control *[and/or HM]* measure or applicable site design measure, inclusive of maintenance and inspection checklists and Maintenance Inspection Report Forms, shall be submitted to the City for review and approval prior to issuance of a grading permit. A copy of the final, approved Maintenance Plan(s) shall be made a part of the Maintenance Agreement [and the Conditions, Covenants and Restrictions (CC&Rs)] recorded for the property. A copy of the final, approved Maintenance Plan(s) shall also be on file at the municipality's Public Services Department.

CITY OF BELMONT
PLANNING COMMISSION MEETING
SUMMARY MINUTES

TUESDAY, SEPTEMBER 2, 2014 - 7:00 PM

Chair Herbach called the meeting to order at 7:00 p.m. at One Twin Pines Lane, City Hall Council Chambers.

1. ROLL CALL

Commissioners Present: Herbach, Hold, Hurt, Mercer, Kim, Goldfarb, MacDonald
Commissioners Absent: None

Staff Present: Community Development Director de Melo, City Attorney Rennie, Management Associate Planner Gill, Recording Secretary Turning

2. AGENDA AMENDMENTS – Staff requested item 5B follow item 5D. As there were no updates on items 6A-6D, staff would provide an update on item 6E, following the Consent Calendar.

3. COMMUNITY FORUM (Public Comments) – Perry Kennan, Belmont Resident commented on Belmont's Ethics & Code of Conduct Agreement and Belmont's Road Conditions.

4. CONSENT CALENDAR

Consent Calendar items are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Commission or staff request specific items to be removed for separate action.

4A. Planning Commission Minutes of August 4, 2014

MOTION: By Commissioner Hold seconded by Commissioner Hurt to approve the Planning Commission Minutes of 8/4/14 with a minor edit.

Ayes: Hold, Hurt, Mercer, Kim, Herbach

Noes: None

Abstain: Goldfarb, MacDonald

Motion passed: 5/0/2

Item 6E. 1412 El Camino Real (Zoom Room) Community Development Director de Melo provided an update to the Commission regarding past events and compliance review.

5. PUBLIC HEARINGS:

5A. PUBLIC HEARING - 2830 San Juan Boulevard

To consider a Single Family Design Review to construct a 1,145 square foot addition to the existing 2,210 square foot single-family residence. The proposal will bring the total square footage of the residence to 3,355 square feet where the zoning district maximum permitted is 3,453 square feet for this site. (Application No. 2014-0032)

APN: 043-321-170; Zoned: R-1B Single Family Residential

CEQA Status: Categorically Exempt, Section 15301, Class 1(e)(1) Applicant: Natalie Hyland – Hyland Design Group Owners: Eric & Toon Jordan

Project Planner: Rob Gill (650) 598-4204

Chair Herbach confirmed that no one on the commission had ex-parte communications with anyone on this project.

Associate Planner Gill summarized the report answering questions of the Commission.

Applicant Natalie Hyland, Hyland Design Group spoke on the project and was available for questions.

There were no requests from the public to speak on this item.

Discussion ensued.

MOTION: By Commissioner Hurt seconded by Commissioner MacDonald to move the Resolution of the Planning Commission of the City of Belmont Approving a Single Family Design Review at 2830 San Juan Boulevard (Application No. 2014-0032).

Ayes: Hurt, MacDonald, Mercer, Goldfarb, Kim, Hold, Herbach.

Noes: None

Motion passed: 7/0

Chair Herbach noted this item can be appealed within 10 calendar days.

5D. PUBLIC HEARING – 576-600 El Camino Real

To consider a Mitigated Negative Declaration, Rezoning and Conceptual Development Plan (CDP), and Vesting Tentative Map to allow for construction of a three-story mixed-use building with 11,700 square feet of street-level commercial space and thirty-two (32) one, two and three-bedroom condominiums on the upper levels. (Application No: PA2013-0054)

APN's: 044-201-190 & 230, and 044-222-060; Zoned: Existing – C-3 Highway Commercial, Proposed - Planned Development (PD)

CEQA Status: Proposed Mitigated Negative Declaration; Applicant/Owner: Belmino LLC, C/O CHS Development Department

Project Planner: Carlos de Melo (650) 595-7440

Chair Herbach confirmed that no one on the commission had ex-parte communications with anyone on this project.

Community Development Director de Melo summarized the report answering questions of the Commission. Applicant Mark Haesloop, CHS Development and Architect Toby Levy, Levy Designs provided an overview of the project to the Commission and were available for questions.

There were no requests from the public to speak on this item.

Discussion ensued.

MOTION: By Commissioner Goldfarb seconded by Commissioner Kim to move the Resolution of the Planning Commission of the City of Belmont Recommending to the City Council Adoption of a Mitigated Negative Declaration of Environmental Significance and a Mitigation Monitoring and Reporting Program for the 576-600 El Camino Real Mixed-Use Project (Application No. 2013-0054)

Ayes: Goldfarb, Kim, Mercer, Hurt, MacDonald, Hold, Herbach
Noes: None

Motion passed 7/0

Chair Herbach noted this item can be appealed within 10 calendar days.

Discussion ensued.

MOTION: By Commissioner Hurt seconded by Commissioner Goldfarb to move the Resolution of the Planning Commission of the City of Belmont Recommending City Council Adoption of a Rezone for a Conceptual Development Plan (CDP) for the Planned Development (PD), and Vesting Tentative Map for the 576-600 El Camino Real Mixed-Use Development (Application No. 2013-0054)

Ayes: Hurt, Goldfarb, MacDonald
Noes: Hold, Mercer, Kim, Herbach

Motion failed: 3/4

MOTION: By Commissioner Mercer seconded by Commissioner Hold to Recommend the Resolution of the Planning Commission of the City of Belmont Recommending City Council Adoption of a Rezone for a Conceptual Development Plan (CDP) for the Planned Development (PD), and Vesting Tentative Map for the 576-600 El Camino Real Mixed-Use Development (Application No. 2013-0054) be continued to a date uncertain for additional information; Food Service Uses, Overall Project Parking, Underground Garage Parking Spaces; Concern that the C3 District Development Standards are not being met by Project.

Discussion ensued

Meeting Break: 11:20 pm
Meeting Resumed : 11:25pm

Discussion ensued

Ayes: Mercer, Hold, Kim, Hurt, Herbach
Noes: Goldfarb
Abstain: MacDonald

Motion passed: 5/1/1

City Attorney Rennie and Chair Herbach noted this item can be appealed within 10 calendar days.

5C. PUBLIC HEARING – 2103 Shirley Road (Item continued to date certain 10/7/14)

To consider a Single Family Design Review (SFDR) approval to construct an 839 square foot addition to an existing 1,270 sq. ft. single family residence. The project also includes a Major Encroachment Permit to rebuild a retaining wall in the public right-of-way, and a Variance to allow a garage with a three-foot front setback where twenty feet would be the minimum front setback for the site. (Appl. No. PA2014-0031)

APN: 043-252-270; Zoned: R1-B Single Family Residential

CEQA Status: Categorical Exemption per Section 15303

Applicant: Jacki Yahn

Owner(s): Scott and Christy Hebner

Project Planner: Damon DiDonato 650/637-2908

MOTION: By Commissioner Hold seconded by Commissioner MacDonald to continue this item to October 7, 2014 Planning Commission Meeting as requested.

Motion passed by show of hands 7/0

5B. PUBLIC HEARING - 1501 Vine Street

To consider a Single Family Design Review to construct a 796 square foot addition to the existing 2,360 square foot single-family residence. The proposal will bring the total square footage of the residence to 3,156 square feet where the zoning district maximum permitted is 3,500 square feet for this site. (Application No. 2014-0034)

APN: 045-203-010; Zoned: R-1A Single Family Residential; CEQA Status: Categorically Exempt, Section 15301, Class 1(e)(1)

Applicant: Mike Amini

Owners: Pramod Parihar

Project Planner: Rob Gill (650) 598-4204

Chair Herbach confirmed that no one on the commission had ex-parte communications with anyone on this project.

Commissioners Goldfarb and Hurt needed to recuse as they both live within 500 feet of the project.

Associate Planner Gill summarized the report answering questions of the Commission.

CITY OF BELMONT
PLANNING COMMISSION MEETING
DRAFT SUMMARY MINUTES

TUESDAY, SEPTEMBER 16, 2014 - 7:00 PM

Chair Herbach called the meeting to order at 7:00 p.m. at One Twin Pines Lane, City Hall Council Chambers.

1. ROLL CALL

Commissioners Present: Herbach, Hold, Hurt, Mercer, Goldfarb, MacDonald
Commissioners Absent: Kim

Staff Present: Community Development Director de Melo, City Attorney Rennie, Management Associate Planner Gill, Management Analyst Rose, Recording Secretary Turning

2. AGENDA AMENDMENTS – None

3. COMMUNITY FORUM - None

4. CONSENT CALENDAR

Consent Calendar items are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Commission or staff request specific items to be removed for separate action.

4A. Planning Commission Minutes of September 9, 2014

MOTION: By Commissioner MacDonald seconded by Commissioner Hold to approve the Planning Commission Minutes of 9/2/14 with the change to the amendment of item 5B: *Provide the Planning Commission with a copy of the construction Management Plan Prior to the issuance of the Building Permit.*

Ayes: MacDonald, Hold, Hurt, Mercer, Goldfarb, Herbach

Noes: None

Absent: Kim

Motion passed by show of hands: 6/0/1

5. OLD BUSINESS: (Continued from September 2, 2014 Planning Commission Meeting)

5A. 576-600 El Camino Real

To consider a Rezoning and Conceptual Development Plan (CDP), and Vesting Tentative Map to allow for construction of a three-story mixed-use building with 11,700 square feet of street-level commercial space and thirty-two (32) one, two and three-bedroom condominiums on the upper levels.

(Application No: PA2013-0054)

Planning Commission Meeting Minutes 9/16/2014

APN's: 044-201-190 & 230, and 044-222-060; Zoned: Existing – C-3 Highway Commercial, Proposed - Planned Development (PD)

CEQA Status: Proposed Mitigated Negative Declaration; Applicant/Owner: Belmino LLC, C/O CHS Development Department

Project Planner: Carlos de Melo (650) 595-7440

Chair Herbach confirmed that no Commissioners had ex-parte communications with anyone on this project.

Community Development Director de Melo summarized the report answering questions of the Commission.

Applicant Haesloop, summarized the changes made, CHS Development and Architect Toby Levy, Levy Designs were available to answer questions on the project as well.

Mary Morrissey Parden from the Chamber of Commerce spoke in favor of the project.

MOTION by Commissioner Mercer seconded by Commissioner Hold to close the Public Hearing. Motion passed by show of hands 6/0

Discussion ensued.

MOTION: By Commissioner Hurt seconded by Commissioner Hold to move the Resolution of the Planning Commission of the City of Belmont Recommending City Council Adoption of a Rezone for a Conceptual Development Plan (CDP) for the Planned Development (PD), and Vesting Tentative Map for the 576-600 El Camino Real Mixed-Use Development (APPL.No. 2013-0054) with the following amendment: *that the permitted and conditionally permitted uses allowed in the Planned Development shall be those permitted and conditionally permitted uses as allowed in the C-1 Commercial District respectively with the following exception: Food Service/ Restaurant Uses Shall Require a Conditional Use Permit.*

Ayes: Hurt, Hold, MacDonald, Mercer, Goldfarb, Herbach

Noes: None

Absent: Kim

Motion passed: 6/0/1

6. PUBLIC HEARINGS:

6A. PUBLIC HEARING - 1717 Notre Dame Avenue

To consider a Single Family Design Review to construct a new 2,907 square foot single-family residence for the site (2,987 sq. ft. maximum building size permitted).

(Application No. 2011-0049)

APN: 044-071-170; Zoned: R-1B Single Family Residential

CEQA Status: Categorically Exempt, Section 15303, Class 3(a)

Applicant: Bahram Mozayeny for Vector Vision Owner: Victor K. Saiz

Project Planner: Rob Gill, rgill@belmont.gov; (650) 598-4204

RESOLUTION NO. 2014-35

RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF BELMONT
RECOMMENDING CITY COUNCIL ADOPTION OF A MITIGATED NEGATIVE
DECLARATION OF ENVIRONMENTAL SIGNIFICANCE AND A MITIGATION
MONITORING AND REPORTING PROGRAM FOR THE 576-600 EL CAMINO
REAL MIXED-USE PROJECT (APPL. NO. 2013-0054)

WHEREAS, an Initial Study and a Mitigated Negative Declaration of Environmental Significance and a Mitigation Monitoring and Reporting Program has been prepared for the 576-600 El Camino Real Mixed-Use Project; and,

WHEREAS, an Initial Study was prepared for the project and based upon the findings of the Initial Study a draft Mitigated Negative Declaration was prepared; and,

WHEREAS, the draft Initial Study/Mitigated Negative Declaration was prepared and submitted to the State Clearing House, for a 30-day public review period commencing on July 1, 2014, and ending on August 1, 2014; and,

WHEREAS, the draft Initial Study/Mitigated Negative Declaration was prepared and posted at the County of San Mateo Recorder's office for a 30-day public review period commencing on July 1, 2014, and ending on August 1, 2014; and,

WHEREAS, the City noticed the availability of the Initial Study/Mitigated Negative Declaration along with the *Notice of Intent to Adopt a Mitigated Negative Declaration* in the Redwood City Tribune on June 30, 2014, and the same noticing was also mailed to property owners within a 300 foot radius of the site; and,

WHEREAS, a response to comments specific to the draft Initial Study/Mitigated Negative Declaration, has been prepared and is included as an attachment to the document; and,

WHEREAS, the Planning Commission conducted a duly noticed public meeting to consider the project on September 2, 2014, at which hearing testimony and evidence, both written and oral, was presented to and considered by the Planning Commission; and,

WHEREAS, no potential impacts associated with the environmental categories for Agriculture Resources and Mineral Resources were identified in the Initial Study; and,

WHEREAS, there are no potential impacts or less-than-significant impacts associated with the environmental categories for Aesthetics, Greenhouse Gases, Hydrology/Water Quality, Land Use and Planning, Population and Housing, Recreation, Utilities and Service Systems that were identified in the Initial Study; and,

WHEREAS, the Initial Study identifies environmental categories: Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Noise, Public Services and Transportation/Traffic that could potentially be impacted by the proposed project, but that the Initial Study identifies mitigation measures that would reduce project related impacts to a less than significant level; and,

WHEREAS, the Planning Commission has considered the potential impacts of the proposed project as set forth in the Initial Study/Negative Declaration of environmental significance attached as part of the September 2, 2014 Staff Report, and finds that there are no significant effects on the environment with implementation of the identified mitigation measures as stated in the report.

NOW, THEREFORE BE IT RESOLVED that the Planning Commission recommends the City Council adopt a Mitigated Negative Declaration of Environmental Significance as the appropriate CEQA documentation for the project pursuant to the provisions of the Public Resources Code known as the California Environmental Quality Act, and City-adopted implementation guidelines.

* * * * *

Passed and adopted at a regular meeting of the Planning Commission of the City of Belmont held on September 2, 2014 by the following vote:

Ayes,	
Commissioners	<u>Herbach, Hold, Mercer, Kim, Goldfarb, Hurt, MacDonald</u>
Noes,	
Commissioners	<u>None</u>
Absent,	
Commissioners	<u>None</u>
Abstain,	
Commissioners	<u>None</u>
Recuse,	
Commissioners	<u>None</u>



Carlos de Melo
Planning Commission Secretary

RESOLUTION NO. 2014-41

RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF BELMONT RECOMMENDING CITY COUNCIL ADOPTION OF A REZONE FOR A CONCEPTUAL DEVELOPMENT PLAN (CDP) FOR THE PLANNED DEVELOPMENT (PD), AND VESTING TENTATIVE MAP FOR THE 576-600 EL CAMINO REAL MIXED-USE DEVELOPMENT (APPL. NO. 2013-0054)

WHEREAS, Belmino, LLC, applicant, on behalf of the property owner, CHS Development Group, requests a Rezone and Conceptual Development Plan (CDP) for a Planned Development (PD), and Vesting Tentative Map approval for the 576-600 El Camino Real Mixed-Use Development; and,

WHEREAS, on September 2, 2014 and September 16, 2014, the Planning Commission, following notification in the prescribed manner, conducted public meetings, at which meetings the Commission considered public testimony and staff reports on the aforementioned requested entitlements; and,

WHEREAS, the Planning Commission of the City of Belmont finds the project is subject to environmental review under provisions of the California Environmental Quality Act (CEQA). An environmental impact assessment was prepared for the project and determined that the project would have a less than significant impact; and,

WHEREAS, the Planning Commission hereby relies upon the staff reports dated September 2, 2014, and September 16, 2014 and the facts contained therein, as they pertain to the project, as its own findings of facts; and,

WHEREAS, the Planning Commission, after consideration of all testimony and reports, thereby determines that the proposed Rezoning and associated Conceptual Development Plan (CDP) for the subject property Planned Development (PD) for the proposed 576-600 El Camino Real Project achieves the objectives of the Zoning Plan and General Plan for the City for the following reasons:

Residential Areas

Policy 2007

2. *A variety of types and densities of residential uses should be provided to meet the needs of the different lifestyles and incomes of the people who live in the community.*

Land Use-Open Space Element Description – Residential Areas

2010 - In addition to these residential areas, residential land use is also permitted, under special permit procedures and specific performance standards, in commercial districts as described in other portions of this plan. For all categories, the actual permitted number of housing units may vary by area depending upon existing land use, natural site characteristics, access to major streets and availability of services and utilities.

2024 - Existing high-density residential development occurs in the Carlmont, Central, Sterling Downs and Homeview Neighborhoods. Additional high-density housing may be provided as minor extensions of existing high-density residential developments or in commercial areas as permitted by this plan.

Commercial Areas

2025 Goals

- 1. To provide space for commercial activities in locations with good vehicular, bicycle and pedestrian access available public services, adequate parking and compatible adjacent uses.*
- 2. To promote commercial development, which meets the needs of local residents for convenience goods and services and which is fiscally beneficial to the city.*
- 3. To improve the attractiveness and functioning of existing commercial areas through such means as landscaping and design controls, and provision of adequate parking, sidewalks, bike paths and bike racks.*
- 4. To provide opportunities for commercial employment in attractive, landscaped environments.*

2026 Policies

- 1. Commercial and office uses should be located on or near major thoroughfares to discourage traffic in residential neighborhoods and should include sufficient off-street parking to prevent disruption of traffic flow on major streets.*
- 6. Highway commercial uses shall be permitted outside of the Central Business District only at already established locations along El Camino Real, Ralston Avenue east of El Camino Real, Old County Road and the U.S. 101/Ralston interchange. To avoid additional strip commercial development, businesses should be grouped, to the extent possible, and separated by landscaped open space/parking areas, offices or multiple family housing.*

Land Use-Open Space Element Description – Highway Commercial Areas

Highway commercial uses are businesses depending on automobile traffic for customers such as service stations, motels, restaurants, auto parts and supply establishments, offices with a drop-in clientele, and a variety of retail businesses. Highway commercial uses are presently located along El Camino Real, along portions of Ralston Avenue east of El Camino, along Old County Road and at the U.S. 101/Ralston interchange. The plan limits highway commercial to these areas where the use is already established with the possible exception of a portion of the Mixed Use area near the Ralston/U.S. 101 interchange. Landscaped open space and parking areas and non-commercial uses are encouraged between the highway commercial uses whenever possible to break up the commercial "strip" appearance. The appearance of the El Camino "strip" can be greatly improved by landscaping along the Southern Pacific tracks on the east side and, where possible, of the commercial sites on the east and west side.

The project will provide additional residential units, which is necessary to provide residential uses for the area and increase the housing stock for the City. The proposed residential development will provide greater opportunities to meet the different lifestyles and incomes of people living within the development and community.

The proposed residential development would be generally compatible with the character of the surrounding neighborhood. In particular, the proposed residential development will be consistent in relation to traffic generation, parking, and noise associated with existing residential uses in the area. The site location is close to established single and multi-family neighborhoods as well as both public transportation and commercial services.

In summary, the proposed mixed-use development will meet the goals and objectives of the General Plan by rezoning the underlying C-3 Highway Commercial designation to Planned Development. This will allow the site to be compatible with neighboring mixed residential uses and commercial uses fronting El Camino Real.

Based on the above analysis, the Planning Commission believes the specific finding can be made that the proposed Rezone of the subject site (via a Conceptual Development Plan) for the Planned Development (PD) achieves the goals and objectives of the Zoning Ordinance and General Plan for the City.

WHEREAS, the Planning Commission, after consideration of all testimony and reports, thereby determines that Belmont Zoning Ordinance Section 12.3.B (1-5) - Conceptual Development Plan (CDP) Findings - to establish the CDP for the Planned Development (PD) for the subject property and allow the 576-600 El Camino Real Project are made in the affirmative for the following reasons:

- 1. That the total development in each individual unit therein can exist as an independent unit capable of creating an environment of sustained desirability and stability or that adequate assurance will be provided that such objective will be attained; that the uses proposed will not be detrimental to the present and potential surrounding uses, but will have a beneficial effect which could not be achieved under other zoning districts.*

The proposed development can remain an independent project because it is a self-contained residential and commercial complex. It will not disturb neighboring uses since the project will be conditioned through performance standards and adherence to mitigation measures required in the Mitigated Negative Declaration. The proposed development will provide needed housing, maintain a commercial presence along El Camino Real, and be compatible with existing residential and commercial uses within the area.

The Initial Study/Mitigated Negative Declaration for the project and the conditions of project approval recommended by the various City departments demonstrate that the project is capable of sustainability. Infrastructure is in place to serve the site. The mixed-use building would be constructed as a "whole" as there are no separate individual buildings proposed. The proposed development of the site would remain commercial-serving which is consistent with the previous use of the site and the planning and zoning designations for the site.

Therefore, the total development can exist as an independent unit capable of creating an environment of sustained desirability, and that the uses proposed will not be detrimental to the present and potential surrounding uses, but will have a beneficial effect which could not be achieved under other zoning districts. This finding is affirmed.

2. *That the streets and thoroughfares proposed are suitable and adequate to carry anticipated traffic and the density will not generate traffic in such amounts as to overload the street network outside the PD District.*

The subject property is adjacent to El Camino Real and in close proximity to Ralston Avenue and Highway 101. A complete traffic study was conducted as part of the environmental assessment (August 2014) that concluded that the mixed-use development will not result in any significant traffic impacts, or contribute to significant cumulative traffic impacts in the area. This finding is affirmed.

3. *That any proposed commercial development can be justified economically at the locations proposed, to provide for adequate commercial facilities of the types proposed.*

Ground-floor commercial development adjacent to El Camino Real and supporting residential tenants above is appropriate for the location and consistent with adjacent street-level commercial development within this major transit corridor and the downtown area. This finding is affirmed.

4. *That the economic impact created by the PD District can be absorbed by the City (police and fire service, water supply, sewage disposal, etc.).*

The proposed mixed-use development will not significantly increase the City's costs in providing services to the project site, and the City will be able to absorb the economic impact created by the project. Redevelopment of the site would improve conditions with respect to police and fire as the site would be brought up to current Uniform Building and Fire Codes which also address safety. Lighting would be updated for the site, and water, sewer and garbage collection. Services are currently provided for the property. The project has been reviewed by all appropriate departments to ensure that all service levels can be maintained to protect the public health, safety and welfare. This finding is affirmed.

5. *That the proposed off-street parking is in substantial conformance with the provisions of Section 8 of this Ordinance, that where an applicant's proposed off-street parking is less than that set forth by the standards of Section 8 of this Ordinance, circumstances are such that it would be a practical difficulty or create a physical hardship on the applicant for him to conform to the standards of Section 8.*

The proposed mixed-use development will provide 96 on-site spaces to serve the needs of both residents and guests of the units and commercial use patrons. The number of spaces provided appears to be adequate for the mixed-use development. The traffic study for the project also confirms that the parking provided for the proposed mixed-use development will be sufficient for demand. This finding is affirmed.

Vesting Tentative Map

In order to recommend approval of the proposed Vesting Tentative Map, the Planning Commission must make the following findings:

- a. The proposed map is consistent with the applicable general and specific plans.*

The project is in compliance with the Highway Commercial General Plan designation, and the proposed Conceptual Development Plan for the site. The proposed project consisting of 32 residential units and 11,200 sq. ft. of commercial space is consistent with the recommended rezoning for the site to Planned Unit Development. This finding is affirmed.

- b. The proposed design or improvement of the subdivision is consistent with the applicable general and specific plans.*

The Vesting Tentative Map will allow for the construction of 32 residential condominiums and commercial space. The subdivision is consistent with the Commercial Highway General Plan designation for the site, and has been designed to meet all development standards of the proposed Conceptual Development Plan (CDP) for the Planned Development zone. The project would minimize grading and hardscape to the most reasonable extent possible, and is designed to not significantly impact existing views. This finding is affirmed.

- c. The site is physically suitable for the type of development.*

The 39,411 sq. ft. project site fronts upon a fully improved roadway with access to all required utilities, and is within walking distance of shops and businesses. The site contains moderate to steep slopes within the rear portion of the property. Total grading required to construct the proposed mixed-use building and other associated improvements is not excessive in consideration of the site conditions. The project site has received conditional geotechnical clearance, and contains no environmental constraints with the exception of the sixteen trees that would be removed, to make it suitable for residential (and commercial) development. This finding is affirmed.

- d. The site is physically suitable for the proposed density of the development.*

The size and topography of the site is adequate to allow construction of the 32 new residential units, 11,200 sq. ft. street-level commercial use, parking areas and amenities for the project. The subdivision is consistent with the City's Commercial Highway General Plan Designation, and the proposed Planned Development zoning (and associated residential density) for the project. In addition, all supporting plans and reports (geotechnical investigation, traffic, air quality, preliminary grading and drainage plan, etc.) indicate that proposed residential units would be suitable for the site. This finding is affirmed.

- e. The design of the subdivision or the proposed improvement is not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.*

The subdivision is required to comply with all mitigations outlined in the Mitigated Negative Declaration. The applicant's geotechnical report, Phase I ESA, traffic impact analysis and biological assessment evaluated potential adverse impacts to wildlife and their habitat and identified no substantial adverse impacts as part of the environmental assessment for the project. This finding is affirmed.

- f. The design of the subdivision or the type of improvements is not likely to cause serious public health problems.*

All public utilities can adequately serve the proposed project; the project will comply with all recommended mitigations in the Mitigated Negative Declaration, conditions of project approval, and the Uniform Building and Fire Codes. This finding is affirmed.

- g. The design of the subdivision or type of improvements will not conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision. In this connection, the City Council may approve a map if it finds that alternate easements, for access or for use, will be provided, and that these will be substantially equivalent to one previously acquired by the public.*

The proposed project is self-contained in one building, which faces El Camino Real, to be maintained by the property owners through the enforcement of Codes, Covenants, and Restrictions (CC&R's) for the 576-600 El Camino Homeowners Association. The Public Works, Building and Fire Departments have reviewed and approved the subdivision, circulation, access and improvements by conditions of approval for this project. This finding is affirmed.

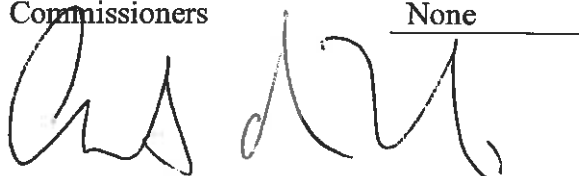
WHEREAS, the Planning Commission did hear and use their independent judgment and considered all said reports, recommendations and testimony herein above set forth.

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission recommends the City Council approve the Rezone and associated Conceptual Development Plan (CDP) for the subject Planned Development (PD), and the Vesting Tentative Map for the 576-600 El Camino Real Project, subject to the Performance Standards attached as Exhibit "A".

* * * * *

Passed and adopted at a regular meeting of the Planning Commission of the City of Belmont held on September 16, 2014 by the following vote:

Ayes, Commissioners	<u>Herbach, Hold, Mercer, MacDonald, Goldfarb, Hurt</u>
Noes, Commissioners	<u>None</u>
Absent, Commissioners	<u>Kim</u>
Abstain, Commissioners	<u>None</u>
Recuse, Commissioners	<u>None</u>



Carlos de Melo
Planning Commission Secretary

ATTACHMENT G

NEIGHBORHOOD OUTREACH MATERIALS



DEVELOPMENT GROUP
REAL ESTATE DEVELOPMENT & INVESTMENT

August 18, 2014

Application to City of Belmont
Project ID: PA-2013-0054.,
576-600 El Camino Real

Report on Compliance with Neighborhood Outreach Strategy

The applicant filed with its initial application materials the City "Applicant's Guide and Form". This report is the results of that strategy.

On Site Activities.

1. **Display and Notices:** The applicant moved its operations into 600 El Camino Real in October of 2013. The initial plans, elevations and floor plans have been continuously displayed at the office and viewable through the picture window (9' x 6') since the initial application. In May of 2014 color renderings of the project were developed and 30" x 18" color renderings have been displayed in the window 24/7. On July 27, 2014 the City issued its Notice of Availability of the Initial Study documents and mailed it to the required mailing list. The Notice was Posted in the Window of the project and has remained there since.
2. **Meet & Greet:** The applicant has had an open door policy through out whereby "walk in" inquiries have been encouraged and to date there have been approximately two dozen "tours" and discussions. We initially asked visitors to sign a log but it seemed to be negatively received so we did not keep their names , etc.

Mailings

1. On July 10, 2014 the attached brochure was mailed to the "radius list" received from the title company; Proof of Mailing attached. This mailing was also sent to members of the Planning Commission and the City Counsel.
2. On August 4, 2014 a second brochure was mailed to the "radius list" which included the proposed date of the first Planning Commission Meeting. Proof of mailing attached.
3. **School District Outreach:** On July 16, 2014 the attached letter was mailed to the Belmont-Redwood Shore School District as addressed. The District's Central School is the immediate neighbor to the West (uphill) as well as being concerned with enrollment issues associated with the project. The applicant has not had any feedback from the District or any of its Trustees.

Neighbor Contact

The project front El Camino Real on the east with the CalTrain parking lot directly across from the project. The initial study was circulated to CalTrain and the Applicant is unaware of any response to the initial study.

The neighbor to the South is the Hillside Lodge and the applicant has had several face to face meetings with the owners (Mr. & Mrs. Patel).

To the North the owners of the Auto Repair building have been contacted twice by letter concerning the project and a possible inclusion of their property into the project. The owners of this property have not expressed any interest in joining the re-development nor have they expressed any objections to the proposed development. The lessee of the building has met with the applicant three times. The lessee has indicated that his lease expires this fall and that he is not likely to renew his lease.

The owner of the property to the West is the School District, see above.

Belmont Chamber of Commerce

The applicant has joined the Chamber of Commerce and on July 24, 2014 presented the project in conjunction with the annual meeting of the Chamber. Feedback received by the applicant was universally positive.

Grand Boulevard Initiative

The two principals of the applicant are members of the Grand Boulevard Initiative Task Force. The project has been included by the City in its list of projects in the transit corridor. The applicant has also discussed the project with the Task Force. The proposed development complies with the "Guiding Principles" of the GBI.

Submitted:

August 18, 2014

Mark Haesloop

Electronic Signature

Mark Haesloop
VP & General Counsel



DEVELOPMENT GROUP
REAL ESTATE DEVELOPMENT & INVESTMENT

July 16, 2014

Charles Velschow
Daniel Kaul
Robert Tashjian
Donna Sims

Suvarna Bhopale
Amy Koo
Michael Milliken, Ph.D

Belmont-Redwood Shores SD - District Office
2960 Hallmark Dr
Belmont, CA 94002

RE: 567-600 El Camino Real Mixed Use Project

Dear Members of the Board, Superintendent and Principal:

We are the developers of a Mixed Use project at the above address. Our property is directly down hill from the entry road to Central School. The school buildings are about 100 yards north west of the project and does not overlook the project.

Enclosed is a brochure on the project and if any of you would like to visit the site or review any of our drawings or plans please call me. The Environmental Document is available for review on the City website listed on the brochure and it should have been noticed to the Board by the City as a matter of course.

The Environmental document (pages 4.14-2 and 4.14-3) indicates a potential impact on your district of 9 students spread over all grades. Our projections for Property Tax increment which will flow annually to your District is \$58,422.00 (\$6,491.33 per student). Bonds and special assessments are not included in this number. The retail component will additionally increase sales tax revenue.

We would be happy to answer any questions and would encourage you to support our project before the Planning Commission and City Council. Our goal is to provide economic growth, needed housing in the transit corridor and a needed face-lift to this section of El Camino Real.

Sincerely,
CHS Development Group


by: Mark Haesloop
VP & General Counsel

600 El Camino Real, Belmont, CA 94002
Phone: 650-578-1178 Fax: 650-571-6215 Direct: 650-796-8809
mhaesloop@chsdg.com.com

PROOF OF SERVICE
Application to City of Belmont
Project ID: PA-2013-0054.,
576-600 El Camino Real

STATE OF CALIFORNIA, COUNTY OF SAN MATEO

At the time of service, I was over 18 years of age. My business address is 600 El Camino Real, Belmont, CA 94002.

On date below, I served the following document(s):

"Coming Soon" Brochure w/ PC Date(copy attached)

The documents were served upon:

SEE ATTACHED LIST

The documents were served by the following means:

☐ By Personal Delivery to the Address indicated Above

☒ (BY U.S. MAIL) I enclosed the documents in a sealed envelope or package addressed to the persons at the addresses listed herein and (specify one):

☒ Deposited the sealed envelope or package with the U.S. Postal Service, with the postage fully prepaid.

☐ (BY OVERNIGHT DELIVERY) I enclosed the documents in an envelope or package provided by an overnight delivery carrier and addressed to the persons at the addresses listed above. I placed the envelope or package for collection and delivery at an office or a regularly utilized drop box of the overnight delivery carrier.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on August 4, 2014 at Belmont, California.


Mark Haesloop

A New Community

576-600 El Camino, Belmont



CHS Development Group

is please to propose a new mixed use development for the El Camino / Train Station area.

- ▶ 32 New Condominium Units
- ▶ 10,000 sq. ft. new ground floor retail
- ▶ all required parking off street
- ▶ Entitlement Application Pending

We encourage our neighbors and all concerned parties to view the project plans and discuss the project with us. The project is scheduled to come before the Belmont Planning Commission on September 2, 2014,

Where: 600 El Camino Real
Belmont, CA 94002

Time: 10 Am to 3 PM or By Arrangement

Other: During Normal Business Hours the plans may be viewed in the window of our offices or by calling

650-578-1178

**Additional Information is
available on the City of
Belmont Website**

[http://www.belmont.gov/Home/Components/
FacilityDirectory/FacilityDirectory/98/664](http://www.belmont.gov/Home/Components/FacilityDirectory/FacilityDirectory/98/664)

PROOF OF SERVICE
Application to City of Belmont
Project ID: PA-2013-0054.,
576-600 El Camino Real

STATE OF CALIFORNIA, COUNTY OF SAN MATEO

At the time of service, I was over 18 years of age. My business address is 600 El Camino Real, Belmont, CA 94002.

On date below, I served the following document(s):

"Coming Soon" Brochure (copy attached

The documents were served upon:

SEE ATTACHED LIST

The documents were served by the following means:

☐ By Personal Delivery to the Address indicated Above

☒ (BY U.S. MAIL) I enclosed the documents in a sealed envelope or package addressed to the persons at the addresses listed herein and (specify one):

☒ Deposited the sealed envelope or package with the U.S. Postal Service, with the postage fully prepaid.

☐ (BY OVERNIGHT DELIVERY) I enclosed the documents in an envelope or package provided by an overnight delivery carrier and addressed to the persons at the addresses listed above. I placed the envelope or package for collection and delivery at an office or a regularly utilized drop box of the overnight delivery carrier.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on JULY 10, 2014 at Belmont, California.


ANTHONY SHAO

A New Community

576-600 El Camino, Belmont



CHS Development Group

is please to propose a new mixed use development for the El Camino / Train Station area.

- ▶ 32 New Condominium Units
- ▶ 10,000 sq. ft. new ground floor retail
- ▶ all required parking off street
- ▶ Entitlement Application Pending

We encourage our neighbors and all concerned parties to view the project plans and discuss the project with us. The project will be coming before the Belmont Planning Commission latter this summer

Where: 600 El Camino Real
Belmont, CA 94002

Time: 10 Am to 3 PM or By Arrangement

Other: During Normal Business Hours the plans may be viewed in the window of our offices or by calling

650-578-1178

**Additional Information is
available on the City of
Belmont Website**

[http://www.belmont.gov/Home/Components/
FacilityDirectory/FacilityDirectory/98/664](http://www.belmont.gov/Home/Components/FacilityDirectory/FacilityDirectory/98/664)

ATTACHMENT H

Applicant Arborist Report and City Arborist Peer Review Report - 2014



Walt Fujii

Consulting Arborist

24701 Broadmore Ave

Hayward, CA 94544

415.699.6269

fujiiitrees@gmail.com

ASCA Registered Consulting Arborist® No. 402

ISA Certified Arborist No. WE225/A

PAW/ISA Certified Tree Risk Assessor No. 1102

CA DPR Qualified Applicator Certificate No. 82521



AMERICAN SOCIETY OF
CONSULTING ARBORISTS

January 16, 2014

Mr. Chris Ford
Chris Ford Landscape Architect
74 Dudley Avenue
Piedmont, CA 94611

Re: The Belmino Project
Arborist Tree Report

Dear Mr. Ford,

At your request Fujiitrees Consulting (FTC) completed this Arborist Tree Report. This report is limited to the 17 trees you indicated are to be assessed that are located at 576 – 600 El Camino Real in the City of Belmont.

Background

The subject property is to be developed. Submittal of an Arborist Tree Report is a condition required by the City of Belmont.

Survey Methods

A visual assessment of the trees was made from the ground. No samples were collected for laboratory analysis, the trees were not climbed and root collar examinations were not completed as none of these tasks were part of the assignment.

Trunk diameters of trees were measured with a diameter tape at the height of 4.5 feet above grade as specified in Chapter 25 of the Belmont Municipal Ordinance.

Observations and Discussion

On January 13, 2014, FTC visited 576 – 600 El Camino Real. Existing storefront structures and a residence were occupied. Landscape features were limited to three trees adjacent to the two entrances into the lot.

The remaining trees to be assessed were located toward the rear of the property or behind existing structures.

FTC was informed that 16 trees are within the proposed building footprint and are proposed for removal and replacement. The trunk of tree 9, a mature Monterey cypress, is located outside of the building footprint and is also proposed for removal and replacement.

Tree data was collected from 17 trees consisting of seven tree species. The tree species and (occurrence) of the trees contained in this report include: Canary Island date palm, *Phoenix canariensis* (1); coast live oak, *Quercus agrifolia* (9); European white birch, *Betula pendula* (3); gum tree, *Eucalyptus spp.* (1); maple, *Acer spp.* (1); Monterey cypress *Cupressus macrocarpa* (1) and ornamental pear, *Pyrus calleryana* (1).

A Canary Island date palm (Tree 1) located approximately six feet from an existing structure is competing with an adjacent coast live oak (Tree 3) for sunlight. (Photo 1) According to the proposed site plan this tree is located within the building footprint.

Tree 2 is an ornamental pear in very poor condition with a severe trunk lean and observed to be in very poor condition. (Photo 2) According to the proposed site plan this tree is located within the building footprint.

The coast live oak (Tree 3) exhibits a dense canopy with an undercut trunk. (Photo 3) The undercut is possibly a girdling root pressing against the base of the tree. An exposed root is also a possible girdling root. (Photo 4) According to the proposed site plan this tree is located within the building footprint.

Tree 4 is an unusually structured oak. (Photo 5) This coast live oak failed a number of years ago and is adapting to its horizontal trunk. (Photo 6) In the long term this oak is not appropriate for a confined urban landscape. According to the proposed site plan this tree is located within the building footprint.

Trees 5, 6 and 7 are coast live oaks located at the top of a cut slope. (Photo 7) The grade was lowered around these trees exposing their upper roots. According to the proposed site plan these trees are located within the building footprint.

A tall but poorly structured gum tree (Tree 8) is located at street level. (Photo 8) FTC could not find fruit to positively identify this Eucalypt species. Evidence of damage by Eucalyptus tortoise beetle (*Trachymela sloanei*) was observed. According to the proposed site plan this tree is located within the building footprint.

Tree 9 is a mature Monterey cypress displaying a bifurcated trunk, and a dense canopy. (Photos 9, 11 and 12) Limb and branch failures were observed in the canopy. (Photo 10) Although Tree 9 is not located within the building footprint, approximately 40 percent or more of its dripline will be within the area of disturbance. This tree species is not known to be tolerant of site disturbances. More importantly, the Monterey cypress is not a suitable tree for a confined urban landscape.

Trees 10, 11 and 12 are coast live oaks located on a slope within very dense vegetation. (Photo 13) These trees exhibit trunk lean, suppressed growth and one sided canopies. According to the proposed site plan these trees are located within or closely adjacent to the building footprint.

A maple (Tree 13) is located near trees 10, 11 and 12. The samaras (seeds) displayed by the tree are extremely desiccated. Buds do not appear swollen that would suggest vigor. Sampled twigs were broken and lacked green color within. Though dormant, collected evidence suggests the tree is in decline. According to the proposed site plan this tree is located within the building footprint.

Located at street level near the two entrances to the lot are three European white birches (Trees 14, 15 and 16). These trees are in overall poor condition. (Photos 15 and 16) According to the proposed site plan these trees are located within or closely adjacent to the building footprint.

Lastly a small coast live oak (Tree 17) is located at the top of the cut slope in line with trees 5, 6 and 7. The grade was lowered around this tree exposing its upper roots. According to the proposed site plan this tree is located within the building footprint.

Analysis

The subject trees were assessed for structure, health and overall condition. Evaluation Factors for Determining Overall Tree Condition – Table 1, defines the characteristics for each rating.

Suitability Factors for Tree Preservation – Table 2, explains the method behind the rating system. Suitability for preservation is especially valuable when used as a design tool by landscape architects and planners. This qualitative tree data is a contributing factor when deciding the reasonableness of whether to accommodate a tree by design.

The Tree Assessment Chart – Table 3, contains the collected tree data from the subject trees. Data includes tag number, tree measurements, and ratings for structure, health and overall condition with a separate suitability rating for preservation.

Conclusions

In light of the proposed site design preservation of the assessed trees will not be possible.

Tree 9, the Monterey cypress, is not located within a building footprint but will be impacted by construction operations. If preserved, the tree will be a burden and a threat to residents who will ask why the tree was preserved.

Tree 17, a non-protected coast live oak is located within the building footprint but is a possible candidate for relocation.

Recommendations

1. Removal and replacement of the assessed trees is recommended. Consideration should be given to relocating tree 17. The relocation work is to be completed by a qualified tree contractor.
2. Authorization is required from the City of Belmont prior to scheduling the removal of the assessed trees from the property. Other conditions may apply and it is the responsibility of the Owner to understand and comply with those conditions.
3. Questions regarding the information contained in this report are to be addressed to Fujitrees Consulting.

This report and recommendations are based on currently available information and are provided for the Client to make informed decisions.

This report completes the FTC assignment.

Kindly contact me with your questions.

Respectfully,

Walter Fujii, RCA
Consulting Arborist



Attachments:

Literature Referenced

Table 1 – Evaluation Factors for Determining Overall Tree Condition
Table 2 – Suitability Factors for Tree Preservation
Table 3 – Tree Assessment Chart
Appendix 1 Photograph Exhibit
Appendix 2 Tree Location Map
Certificate of Performance
Terms and Conditions

Literature Referenced

American National Standard. Tree Care Operations (ANSI 133.1- ANSI A300 et al.)
American National Standards Institute 11 West 42nd Street New York, NY 10036 c.1994

Costello, L.R., Hagen, B.W., Jones, K.S. Oaks in the Urban Landscape; Selection, Care and Preservation. Richmond, CA: ANR Communication Services c.2011

Gilman, E.F. An Illustrated Guide to Pruning. 3rd ed. Clifton Park, NY: Delmar Publishers
c.2012

Matheny, N. and Clark, J. Trees and Development, *A technical guide to preservation of trees during land development*. Champaign, IL: Wadley Graphix Corp. c.1998

McMinn, H.E. and Maino E. An Illustrated Manual of Pacific Coast Trees. Berkeley, CA:
University of California Press c.1935/1963

Sunset Western Garden Book, The New. New York, NY: Time Home Entertainment, Inc.
c.2012

Table 1
Evaluation Factors for Determining
Overall Tree Condition
Belmino Project
 Belmont, California

Structure

1-Very Poor	Trunk has large pockets of decay, is weakly bifurcated or has a severe lean. Limbs or branches are poorly attached or dead. Possible high risk
2-Poor	Limbs or branches are poorly attached or developed. Canopy is not symmetrical. Trunk has a lean.
3-Fair	Trunk, limb and branch development though flawed is typical of this species
4-Good	Trunk is well developed with well-attached limbs and branches have some flaws but hardly visible.
5-Very Good	In addition to attributes of a good rating, the tree exhibits a well-developed root flare and a balanced canopy.

Health

1-Very Poor	Tree displays severe dieback of branches, canopy is extremely sparse. May exhibit extensive pathogen infestation. Or tree is dead.
2-Poor	Tree displays some dieback of branches, foliar canopy is sparse, little to no signs of new growth or vigor. Possible pathogen infestation.
3-Fair	Tree is developing in a manner typical to others in the area. Canopy is full.
4-Good	New growth is vigorous as evidenced by stem elongation and color. Canopy is dense.
5-Very Good	In addition to attributes of a good rating, tree is displaying extremely vigorous growth and trunk displays a pattern of vigor cracks or lines.

Overall

0-DEAD	Tree has no green foliage and no green in sampled twigs.
1-Very Poor	Tree is in severe decline or dead.
2-Poor	Tree is in decline or lacks vigor.
3-Fair	Tree is typical of species in the area.
4-Good	Tree is vigorous with few visible flaws.
5-Very Good	Tree is extremely vigorous.

Table 2
Suitability Factors for Tree Preservation
Belmino Project
Belmont, California

Suitability Factors

To assist in the design process assessed trees have been rated as to suitability for preservation. Factors that influence suitability include:

Health: Overall tree vigor, extension of new growth, proper closing of wounds and the presence of plant pathogens.

Structure: The overall tree architecture, including roots, trunk, limbs, and branches are visually assessed for defects. A defect that can be corrected by proper arboricultural practices may allow a tree to be preserved.

Safe and Useful Life Expectancy: The life of a tree is much like a bell-shaped curve; where aging accentuates tree vigor until a point at the top of the curve where aging now reduces tree vigor and decline begins. A species may be long lived but have a poor structure that is prone to fail and should not be considered safe or useful.

Tree Species: The factors described above are predicated on the tree species. Certain species grow slowly and decline slowly. Other species grow quickly and decline quickly. Tree species that are invasive, or a nuisance or have an inherently poor structure are to be avoided.

Suitability Ratings

When the above factors are considered, assessed trees were rated as HIGH, MODERATE or LOW in suitability for preservation. An explanation for each rating is provided below.

HIGH: Trees which are significant and expected to provide long-term contributions to the site. They display fair or better health and fair or better structural condition. On-going suitability may require typical maintenance practices commonly associated with the tree species. These trees are the most suitable for retention measures and are worthy of consideration during the design process or design revision.

MODERATE: Trees which contribute to the site but provide less than significant contributions for reasons of health, structural condition or appearance. On-going suitability will require properly implemented maintenance practices. Design revisions to preserve these trees may not be warranted.

LOW: Trees which provide minor contributions to the property for reasons of poor health, structural condition or appearance. A tree species that is a nuisance due to litter, will grow too large for the area or is known to develop a structure prone to failure is also rated low in suitability. Generally speaking, trees in this category are not expected to benefit or respond to acceptable corrective measures. Removal of these trees will often allow the safe, useful and aesthetic enjoyment of the property. *Preservation of low rated trees is not recommended.*

*Preservation is referred to as "Conservation" in ANSI A300 (Part 5) – 2005 Management

Table 3
Tree Assessment Chart
Belmino Project
Belmont, California

Tree No.	Common Name	Tree Species	Measured Trunk Diameter ¹	Measured Trunk Diameter ¹	Measured Trunk Diameter ¹	Adjusted Trunk Diameter ²	Approximate Crown Radius ³	Approximate Tree Height ⁴	Structure	Health	Overall Condition ⁵	Suitability for Preservation ⁶	Protected Tree ⁷	Proposed for Removal and Replacement ⁸ - R	Comments
1	Canary Island date palm	<i>Phoenix canariensis</i>	34			34	15	12	Fair	Good	Fair	Low	Yes	R	one sided canopy, suppressed growth, located six feet from existing building
2	ornamental pear	<i>Pyrus calleryana</i>	7.5			8	18	12	Very Poor	Very Poor	Very Poor	Low		R	severe trunk lean, one sided canopy
3	coast live oak	<i>Quercus agrifolia</i>	30			30	22	35	Fair	Good	Fair	Mod	Yes	R	trunk undercut with possible girdling root, multi-stem trunk without pronounced trunk flare.
4	coast live oak	<i>Quercus agrifolia</i>	22			22	15	25	Very Poor	Good	Fair	Low	Yes	R	tree failed and is adapting to a different trunk configuration, trunk measured just below bifurcation
5	coast live oak	<i>Quercus agrifolia</i>	8.9			9	8	18	Poor	Poor	Poor	Low		R	thin one sided canopy, grade was lowered around trunk
6	coast live oak	<i>Quercus agrifolia</i>	10			10	18	18	Poor	Fair	Poor	Low	Yes	R	severe trunk lean, thin one sided canopy, grade was lowered around trunk
7	coast live oak	<i>Quercus agrifolia</i>	12	11		23	20	20	Poor	Fair	Poor	Low	Yes	R	bifurcated trunk, trunk undercut, grade was lowered around trunk, stem measured just below bifurcation
8	gum	<i>Eucalyptus spp.</i>	23			23	8	50	Poor	Fair	Poor	Low	Yes	R	multi-stem trunk, narrow branch attachments, infested with tortoise beetle

Table 3
Tree Assessment Chart
Belmino Project
Belmont, California

Tree No.	Common Name	Tree Species	Measured Trunk Diameter ¹	Measured Trunk Diameter ¹	Measured Trunk Diameter ¹	Adjusted Trunk Diameter ²	Approximate Crown Radius ³	Approximate Tree Height ⁴	Structure	Health	Overall Condition ⁵	Suitability for Preservation ⁶	Protected Tree ⁷	Proposed for Removal and Replacement ⁸ - R	Comments
9	Monterey cypress	<i>Cupressus macrocarpa</i>	35	30		65	30	55	Poor	Good	Fair	Low	Yes	R	bifurcated trunk, branch end weight, limb and branch failures, not suitable for small urban landscapes
10	coast live oak	<i>Quercus agrifolia</i>	9.2			9	20	20	Poor	Fair	Fair	Low		R	moderate trunk lean, shared canopy, one sided canopy
11	coast live oak	<i>Quercus agrifolia</i>	8.2			8	18	20	Poor	Poor	Poor	Low		R	severe trunk lean, thin one sided canopy, growth was not vigorous, trunk measured just below bifurcation
12	coast live oak	<i>Quercus agrifolia</i>	8.7			9	22	18	Very Poor	Fair	Poor	Low		R	severe trunk lean, one sided canopy
13	maple	<i>Acer spp.</i>	14			14	20	20	Fair	Very Poor	Very Poor	Low	Yes	R	tree is dormant, bifurcated trunk, growth in decline, lack of green in twigs, bud swell not observed, old samaras remain attached, trunk measured just below bifurcation
14	European white birch	<i>Betula pendula</i>	4	3.5		8	4	18	Poor	Fair	Poor	Low		R	multi-stem trunk, slight trunk lean, incorrectly pruned, trunks lack taper
15	European white birch	<i>Betula pendula</i>	6.6	4.3		11	3	5	Very Poor	Fair	Very Poor	Low	Yes	R	tree was topped now resembles a shrub, multi-stem trunk, trunk measured at two feet above grade

Table 3
Tree Assessment Chart
Belmino Project
Belmont, California

Tree No.	Common Name	Tree Species	Measured Trunk Diameter ¹	Measured Trunk Diameter ¹	Measured Trunk Diameter ¹	Adjusted Trunk Diameter ²	Approximate Crown Radius ³	Approximate Tree Height ⁴	Structure	Health	Overall Condition ⁵	Suitability for Preservation ⁶	Protected Tree ⁷	Proposed for Removal and Replacement ⁸ - R	Comments
16	European white birch	<i>Betula pendula</i>	5.8			6	5	18	Poor	Fair	Poor	Low		R	tree was not properly pruned
17	coast live oak	<i>Quercus agrifolia</i>	4.8			5	5	10	Good	Good	Good	High		R	grade lowered around tree and exposed roots

1/ Trunk Diameter: Measured at 4.5 feet above the existing grade with a diameter tape.

2/ Adjusted Trunk Diameter: Diameters were rounded to whole numbers. Multi-stem trunk diameters were added together as specified in Chapter 25.

3/ Crown Radius: Distance was paced from trunk to furthest point of dripline

4/ Approximate Height: Tree height was visually approximated

5/ Overall Condition: Please refer to Table 2a for an explanation of terms.

6/ Suitability for Preservation: Please refer to Table 2 for an explanation of terms. Mod. = Moderate

7/ Protected Tree: One trunk 10 inches or greater in trunk diameter at 4.5 feet from grade.

8/ Proposed for Removal and Replacement; tree is in or close to the building footprint or is not suitable for preservation at this site.

Appendix 1
Photograph Exhibit
Belmino Project
Belmont, California



Photo 1. Tree 1, a palm is at the top of the stairs.

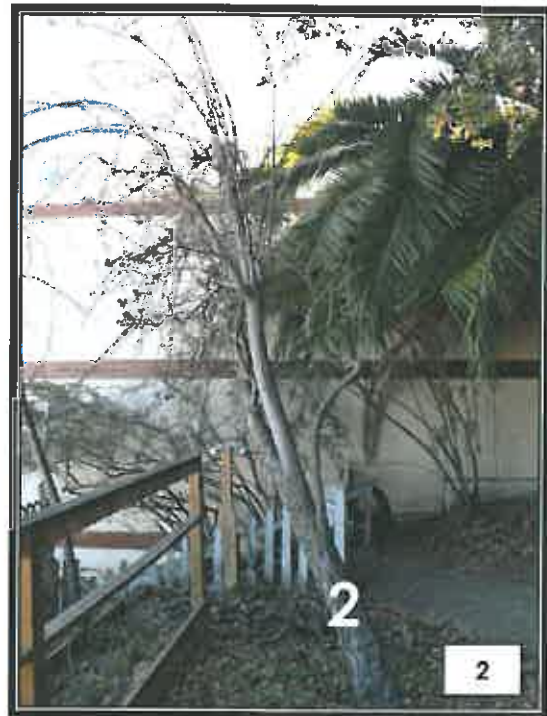


Photo 4. Arrow points to girdling root.

Appendix 1
Photograph Exhibit
Belmino Project
Belmont, California



Photo 6. Tree failed and is adapting to a different configuration.



Photo 7. Grade was lowered around trees, 5, 6 and 7.



Appendix 1
Photograph Exhibit
Belmino Project
Belmont, California

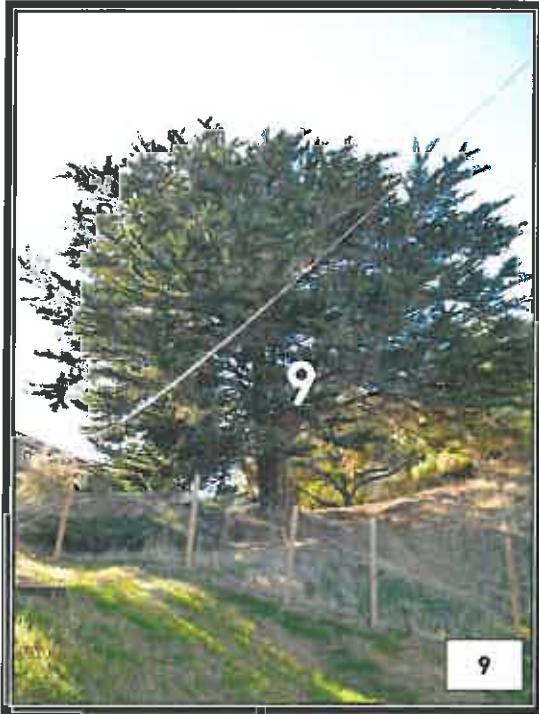


Photo 10. Circled is an example of a limb failure on this tree.



Photo 11. East side of bifurcated trunk.
Arrow points to the deep seams of included bark.



Photo 12. West side of bifurcated trunk.
Arrows point to the deep seams of included bark.

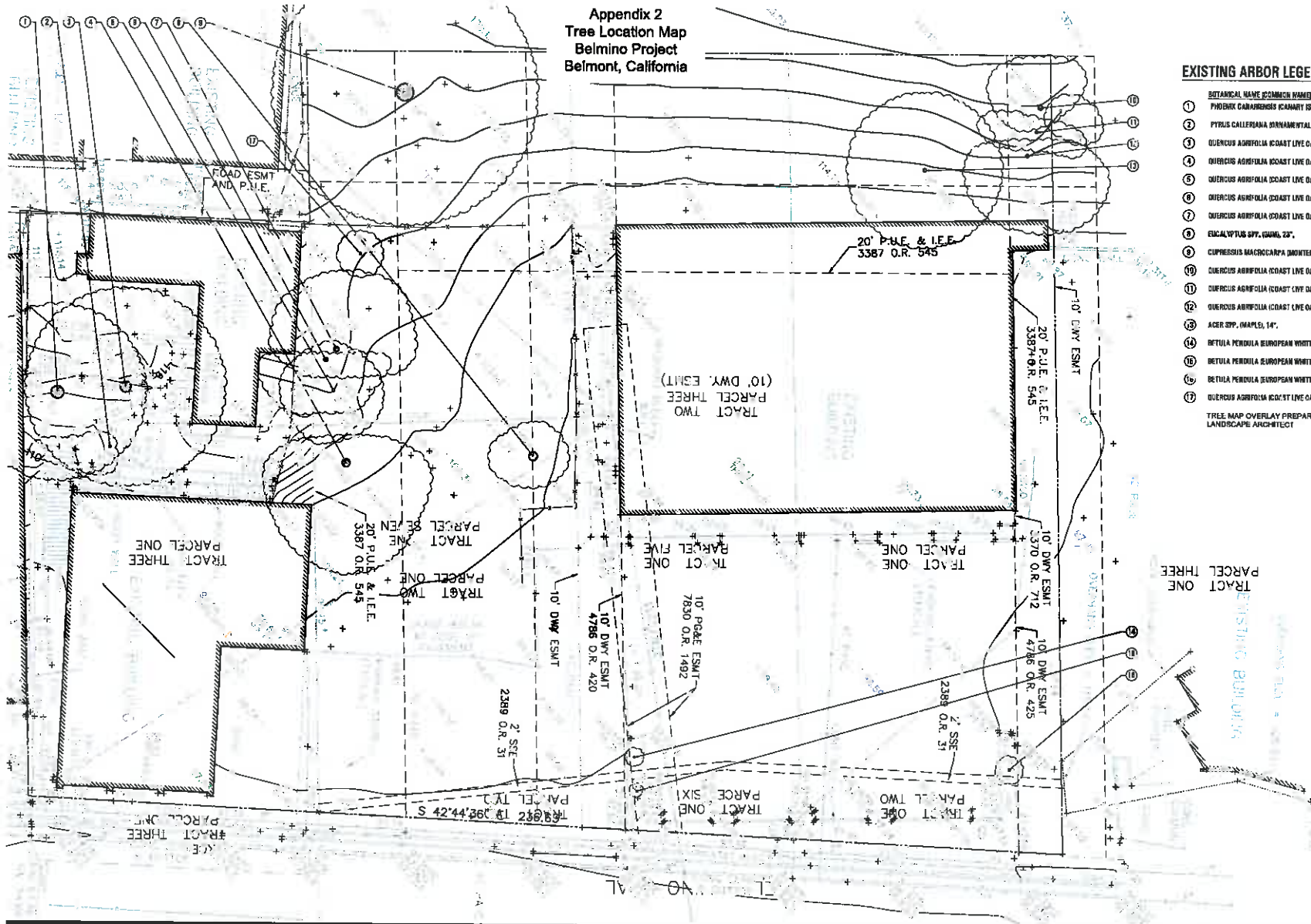
Appendix 1
Photograph Exhibit
Belmino Project
Belmont, California



Appendix 1
Photograph Exhibit
Belmino Project
Belmont, California



Appendix 2
Tree Location Map
Belmino Project
Belmont, California



EXISTING ARBOR LEGEND

- BOTANICAL NAME (COMMON NAME), ADJUSTED THUNK DIAMETER @ BREAST HEIGHT, PHOTOX CAPTURED (CANARY ISLAND DATE PALM), 34".
- ① PYRUS CALLERIANA (ORNAMENTAL PEAR), 8".
 - ② QUERCUS AGROFOLIA (COAST LIVE OAK), 30".
 - ③ QUERCUS AGROFOLIA (COAST LIVE OAK), 22".
 - ④ QUERCUS AGROFOLIA (COAST LIVE OAK), 8".
 - ⑤ QUERCUS AGROFOLIA (COAST LIVE OAK), 14".
 - ⑥ QUERCUS AGROFOLIA (COAST LIVE OAK), 22".
 - ⑦ EUCALYPTUS GYP. (GUM), 22".
 - ⑧ CUPRESSUS MACROCARPA (MONTEREY CYPRESS), 85".
 - ⑨ QUERCUS AGROFOLIA (COAST LIVE OAK), 8".
 - ⑩ QUERCUS AGROFOLIA (COAST LIVE OAK), 8".
 - ⑪ QUERCUS AGROFOLIA (COAST LIVE OAK), 8".
 - ⑫ ACER SPP. (MAPLE), 14".
 - ⑬ BETULA PENDULA (EUROPEAN WHITE BIRCH), 8".
 - ⑭ BETULA PENDULA (EUROPEAN WHITE BIRCH), 11".
 - ⑮ BETULA PENDULA (EUROPEAN WHITE BIRCH), 8".
 - ⑯ QUERCUS AGROFOLIA (COAST LIVE OAK), 8", LOCATION APPROXIMATED.
- TREE MAP OVERLAY PREPARED BY CHRIS FORD, PROJECT LANDSCAPE ARCHITECT

BELMINO

576-600 EL CAMINO REAL, BELMONT, CA

EXISTING TREE INVENTORY PLAN

JANUARY 8, 2014

LO.1

Certification of Performance

That I have personally inspected the tree(s) and /or property referred to in this report and have stated my findings accurately. The extent of the evaluation and appraisal is stated in the attached report and the Terms and Conditions;

That I have no current or prospective interest in the vegetation or the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved;

That the analysis opinions and conclusions stated herein are my own and are based on current scientific procedures and facts;

That my compensation is not contingent upon the reporting of a predetermined conclusion that favors the cause of the client or any other party nor upon the results of the assessment the attainment of stipulated results or the occurrence of any subsequent events;

That my analysis opinions and conclusion were developed and this report has been prepared according to commonly accepted Arboricultural practices;

I further certify that I am a Registered Consulting Arborist® by the American Society of Consulting Arborists (ASCA) and a Certified Arborist by the International Society of Arboriculture (ISA).

Disclosure Statement

Arborists are tree specialists who use their education, knowledge, training and experience to examine trees and recommend measures to enhance the beauty and health of trees and attempt to reduce the risk of living near trees. Clients may choose to accept or disregard the recommendations of the arborist or to seek additional advice.

Arborists cannot detect every condition that could possibly lead to the structural failure of a tree. Trees are living organisms that fail in ways we do not fully understand. Certain conditions are often hidden within trees or below the ground. Arborists cannot guarantee that a tree will be healthy or safe under all circumstances or for a specific period of time. Likewise remedial treatments cannot be guaranteed.

Trees can be managed but they cannot be controlled.
To live near trees is to accept some degree of risk.

Signed: Walter Fujii Date: 1/16/2014

Walter Fujii



Fujiitrees Consulting TERMS AND CONDITIONS

The following terms and conditions apply to all oral and written reports and correspondence pertaining to the consultations, inspections and activities of Fujiitrees Consulting hereinafter referred to as "Consultant".

1. Any legal description provided to the Consultant is assumed to be correct. No responsibility is assumed for matters legal in character nor is any opinion rendered as to the quality of any title.
2. It is assumed that any property referred to in any report or in conjunction with any services performed by the Consultant, is not in violation of any applicable codes, ordinances, statutes, or other governmental regulations, and that any titles and ownership to any property are assumed to be good and marketable. Any existing liens and encumbrances have been disregarded.
3. Possession of this report or a copy thereof does not imply any right of publication or use for any purpose, without the express permission of the Consultant and the Client to whom the report was issued. Loss, removal or alteration of any part of a report invalidates the entire appraisal/evaluation.
4. The scope of any report or other correspondence is limited to the trees and conditions specifically mentioned in those reports and correspondence. The Consultant assumes no liability for the failure of trees or parts of trees, either inspected or otherwise. The Consultant assumes no responsibility to report on the condition of any tree or landscape feature not specifically requested by the named client.
5. No tree described in this report was climbed, unless otherwise stated. The Consultant cannot take responsibility for any defects, which could only have been discovered by climbing. A full root crown examination (RCX), consisting of excavating the soil around the tree to uncover the root crown and major buttress roots was not performed unless otherwise stated. We cannot take responsibility for any root defects, which could only have been discovered by such an inspection.
6. The Consultant shall not be required to provide further documentation, give testimony, be deposed, or attend court by reason of this appraisal/report unless subsequent contractual arrangements are made, including payment of additional fees for such services as described by the consultant or in the fee schedules or contract.
7. The Consultant offers no guarantees or warranties, either expressed or implied, as to the suitability of the information contained in the reports for any purpose. It remains the responsibility of the client to determine applicability to his/her particular case.
8. Any report and the values, observations, and recommendations expressed therein represent the professional opinion of the Consultant, and the fee for services is in no manner contingent upon the reporting of a specified value nor upon any particular finding to be reported.
9. Any photographs, diagrams, graphs, sketches, or other graphic material included in any report, being intended solely as visual aids, are not necessarily to scale and should not be construed as engineering reports or surveys, unless otherwise noted in the report. Any reproductions of graphs material or the work produce of any other persons is intended solely for the purpose of clarification and ease of reference. Inclusion of said information does not constitute a representation by the Consultant as to the sufficiency or accuracy of that information.
10. Trees can be managed, but they cannot be controlled. To live near trees is to accept some degree of risk. The only way to eliminate all risk associated with trees is to eliminate all trees.
11. Payment terms are net payable upon receipt of invoice. All balances due beyond 30 days of invoice date will be charged a service fee of 1.5 percent per month (18.0% APR). All checks returned for insufficient funds or any other reason will be subject to a \$25.00 service fee. Advance payment of fees may be required in some cases.



Contract City Arborist Review of Third Party Arborist Report Previously Prepared by
Fujii Trees Consulting (FTC)
for
579-600 El Camino Real
Belmont, California

Prepared at the Request of:

Mr. Carlos de Melo, Director of Planning and Community Development
1 Twin Pines Lane
Belmont, CA 94002

Site Visit:

Walter Levison, Contract City Arborist (CCA)

8/19/2014

Report:

(CCA)

8/19/2014



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1 Summary

579-600 El Camino Real is a commercial property with multiple existing structures including two commercial buildings with relatively level parking, and an existing L-shaped residence up on the hill. The entire site is proposed for mass grading and redevelopment as a residential-over-commercial property.

A report by a third party, Fujii Trees Consulting or "FTC" dated 1/16/2014 was received by planning and reviewed by the CCA in this report below. A set of proposed site plans was also reviewed by the CCA as part of this assignment.

The CCA visited the site on 8/19/2014 to collect his own tree data in an independent manner prior to reviewing the FTC arborist report.

The tree data table below is a combination of FTC and CCA information combined into a single table for reference of existing conditions and required tree removal fees based on the June 2014 iteration of the City of Belmont master schedule of fees.

Note that the trees were not tagged by either FTC or the CCA. Refer to the tree map attached to the last page of this CCA report for tree locations when visiting the site.

Note also that a forested property containing a significant number of regulated and/or non-regulated size native coast live oak specimens is located just west of the west corner of the subject property (see tree map mark-up attached). This area was not surveyed by FTC or the CCA, and may or may not be impacted by proposed site work. Chain link tree protection fence erection will be required to be placed at the actual west property corner of 579-600 El Camino Real, and off-site (with permission from the neighboring property owner) in order to prevent damage to the above and below-ground portions of these off-site native oaks. Alternatively, a line of fencing could simply be erected along the west corner of the subject property.



2 Tree Data Table

Tree Tag Number / Common Name / Overall Condition Rating	Disposition Under Current Proposed Site Plan	Site Plan Changes Needed to Retain Tree in its Current Condition	Landscape or Irrigation Plan Changes Needed to Retain Tree in its Current Condition	Suggested Protection & Maintenance Actions	Reference Removal Fee per June 2014 Fee Schedule (Add mitigation and in-lieu fees as applicable)
1: Canary Island palm Good condition	Remove	n/a	n/a	n/a	\$2,000.
2: Boxelder (noted as 'pear' in FTC report) Very Poor condition Total of stem diameters = 11"	Remove	n/a	n/a	n/a	\$1,000.
3: Coast live oak Good condition	Remove	n/a	n/a	n/a	\$2,000.
4: Coast live oak Fair condition	Remove	n/a	n/a	n/a	\$1,500.
5: Coast live oak (diameter less than 10")	Remove	n/a	n/a	n/a	\$0.
6: Coast live oak Fair condition	Remove	n/a	n/a	n/a	\$1,000.
7: Coast live oak Fair condition	Remove	n/a	n/a	n/a	\$1,000.



Tree Tag Number / Common Name / Overall Condition Rating	Disposition Under Current Proposed Site Plan	Site Plan Changes Needed to Retain Tree in its Current Condition	Landscape or Irrigation Plan Changes Needed to Retain Tree in its Current Condition	Suggested Protection & Maintenance Actions	Reference Removal Fee per June 2014 Fee Schedule (Add mitigation and in-lieu fees as applicable)
8: Tasmanian blue gum Good condition (FTC report notes as 'poor') CCA measured three stems as 20", 7", and 5" diameter	Remove	n/a	n/a	n/a	\$75.
9: Monterey cypress Fair condition	Remove	n/a	n/a	n/a	\$2,000.
10: Coast live oak Fair condition (less than 10" diameter)	Remove	n/a	n/a	n/a	\$0.
11: Coast live oak Poor condition (less than 10" diameter)	Remove	n/a	n/a	n/a	\$0.
12: Coast live oak Poor condition (less than 10" diameter)	Remove	n/a	n/a	n/a	\$0.



Tree Tag Number / Common Name / Overall Condition Rating	Disposition Under Current Proposed Site Plan	Site Plan Changes Needed to Retain Tree in its Current Condition	Landscape or Irrigation Plan Changes Needed to Retain Tree in its Current Condition	Suggested Protection & Maintenance Actions	Reference Removal Fee per June 2014 Fee Schedule (Add mitigation and in-lieu fees as applicable)
13: silver maple Poor condition (FTC report notes as 'poor')	Remove	n/a	n/a	n/a	\$1,500.
14: European white birch Poor condition (less than 10" total)	Remove	n/a	n/a	n/a	\$0.
15: European white birch Very Poor condition	Remove	n/a	n/a	n/a	\$1,000.
16: European white birch Poor condition (less than 10")	Remove	n/a	n/a	n/a	\$0.
17: Coast live oak Good condition	Remove	n/a	n/a	n/a	\$0.

3 Protected Trees

Protected trees are defined in the Belmont tree ordinance as all trees with trunk diameter(s) totaling 10 inches or greater at 4.5 feet above grade, except for *Acacia* species, Monterey pine (*Pinus radiata*), and Tasmanian blue gum (*Eucalyptus globulus*) which can be removed under a \$75 per tree flat fee system, once a removal permit is granted by Staff.

Fees for regulated size tree removals, once the removal(s) are approved by the City, are listed in the Master Revenue Schedule under part IV (Development Review Fees).



Removal of protected trees may also require mitigation plantings to be installed on site. When a requirement to install trees cannot be met, then a Tree Planting In-Lieu Fee of up to \$497 per each non-installed mitigation tree shall be paid by the applicant to the City Tree Planting and Establishment Fund, at the discretion of the Planning Commission and City Council.

Please refer to the new 2014 master fee schedule below.

4 City of Belmont Master Fee Schedule Effective June 2014

Flat Fee Tree Species (regulated at 10" diameter single or multistem) (Monterey pine, Tasmanian blue gum, acacia species):	\$75 flat fee.
All Other Tree Species: 10.0" to 17.9" diameter single or multistem:	\$1,000.
18.0 to 23.9" diameter single or multistem:	\$1,500.
24.0" and greater diameter single or multistem:	\$2,000.

Note: Trees cannot be removed until City approval is granted.

5 Suggested Conditions of Approval

Directions to Staff or Contract Staff associated with this project:

Please enter the following into the Belmont CRW PermitTrack file for this project to prevent permit issuance prior to the Contract City Arborist's evaluation of initial tree protection measures at the site:

'STATUS' field: 'HOLD'

'REMARKS' field: 'PENDING INITIAL TREE PROTECTION INSPECTION AND SIGNOFF'

PRE-PROJECT ITEMS

1. Fees:

Applicant shall pay tree removal fees and in-lieu fees per Planning Commission and Staff determination. Tree removal fees are noted in the CCA's arborist report, section 2. Staff and/or planning commissioners will determine the extent of any required in-lieu fees that may need to be paid in addition to the standard removal fees.

Basic tree removal fees per the table in section 2 of the CCA report total \$13,075.

Monitoring fees: Applicant shall pay an arborist construction period monitoring fee of an amount to be determined by the planning director, if verification of root protection zone fencing erection is requested by planning division to protect native coast live oaks just west of the west corner of the subject property.



Additional Hourly: The CCA may charge additional fees at the regular contract hourly rate of \$100/hour for additional services such as when requested by the project build team to be on-site to monitor demolition, trenching, pier drilling, excavation, etc. within 20 feet of trees being retained.

2. Root Protection Zone (RPZ) Fencing:

Chain link

Install chain link fence (exact locations of fence to be determined during the pre-construction field meeting). This fencing shall be known as the root protection zone or "RPZ". The approximate routes are shown as red dashed lines on the CCA's tree location map mark-up in the arborist report.

Fencing material used for all protective fences must be steel chain-link, at least five-feet in height, mounted on two-inch diameter galvanized iron posts 7-feet in length, driven a minimum of 24-inches into the ground. Posts for post and hook fencing must be mounted no wider than 6-feet on-center (O.C.). This fence must be erected prior to any heavy machinery traffic or construction material arrival on site.

The protective fencing shall not be temporarily moved during construction, unless authorized by the CCA through an email or other written form. Materials, tools, excavated soil, liquids, substances, etc. shall not be placed or dumped, even temporarily, inside the RPZ.

Storage, staging, work, and/or other activities shall not occur inside the RPZ without the expressed written (emailed) permission from the Contract City Arborist. The CCA shall be contacted 48 hours advance notice when requesting that a fence section be temporarily moved or removed.

Refer to the 2013 tree protection standard images handout.

Note: For this particular project, RPZ fencing will be mainly located off-site, and will therefore require trespass permission from the neighboring property owner. Alternatively, a line of fencing protection could be erected along the west corner of the subject property to block construction activity from encroaching into the forested areas off-site.

3. Signage:

The TPZ fencing shall have one sign affixed with UV-stabilized zip ties to the chain link at eye level for every 15-linear feet of fencing, minimum 8"X11" size each, plastic laminated or otherwise waterproofed, stating:



ROOT PROTECTION ZONE FENCE ZONA DE PROTECCION PARA ARBOLES

-NO ENTRE SIN PERMISO. LLAME EL ARBOLISTA WALTER LEVISON-

DO NOT MOVE OR REMOVE WITHOUT AUTHORIZATION FROM
WALTER LEVISON, CONTRACT CITY ARBORIST, CITY OF BELMONT

CALL OR EMAIL 48-HRS ADVANCE FOR PERMISSION

TELEFONO CELL 415-203-0990 / EMAIL drtree@sbcglobal.net

6 Assumptions and Limiting Conditions

Any legal description provided to the consultant/appraiser is assumed to be correct. Any titles and ownership to any property are assumed to be good and marketable. No responsibility is assumed for matters legal in character. Any and all property is appraised and evaluated as through free and clean, under responsible ownership and competent management.

It is assumed that any property is not in violation of any applicable codes, ordinance, statutes, or other government regulations.

Care has been taken to obtain all information from reliable sources. All data has been verified insofar as possible; however, the consultant/appraiser can neither guarantee nor be responsible for the accuracy of information provided by others.

The consultant/appraiser shall not be required to give testimony or to attend court by reason of this report unless subsequent contractual arrangements are made, including payment of an additional fee for such services as described in the fee schedule and contract of engagement.

Unless required by law otherwise, the possession of this report or a copy thereof does not imply right of publication or use for any other purpose by any other than the person to whom it is addressed, without the prior expressed written or verbal consent of the consultant/appraiser.

Unless required by law otherwise, neither all nor any part of the contents of this report, nor copy thereof, shall be conveyed by anyone, including the client, to the public through advertising, public relations, news, sales, or other media, without the prior expressed conclusions, identity of the consultant/appraiser, or any reference to any professional society or institute or to any initiated designation conferred upon the consultant/appraiser as stated in his qualifications.

This report and any values expressed herein represent the opinion of the consultant/appraiser, and the consultant's/appraiser's fee is in no way contingent upon the reporting of a specified value, a stipulated result, the occurrence of a subsequent event, nor upon any finding to be reported.

Sketches, drawings, and photographs in this report, being intended for visual aids, are not necessarily to scale and should not be construed as engineering or architectural reports or surveys unless expressed otherwise. The reproduction of any information generated by engineers, architects, or other consultants on any sketches, drawings, or photographs is for the express purpose of coordination and ease of reference only. Inclusion of said information on any drawings or other documents does not constitute a representation by Walter Levison to the sufficiency or accuracy of said information.

Unless expressed otherwise:

- information contained in this report covers only those items that were examined and reflects the conditions of those items at the time of inspection; and
- the inspection is limited to visual examination of accessible items without dissection, excavation, probing, or coring. There is no warranty or guarantee, expressed or implied, that problems or deficiencies of the plants or property in question may not arise in the future.

Loss or alteration of any part of this report invalidates the entire report.

Arborist Disclosure Statement:

Arborists are tree specialists who use their education, knowledge, training, and experience to examine trees, recommend measures to enhance the beauty and health of trees, and attempt to reduce the risk of living near trees. Clients may choose to accept or disregard the recommendations of the arborist, or to seek additional advice.


Arborists cannot detect every condition that could possibly lead to the structural failure of a tree. Trees are living organisms that fail in ways we do not fully understand. Conditions are often hidden within trees and below ground. Arborist cannot guarantee that a tree will be healthy or safe under all circumstances, or for a specified period of time. Likewise, remedial treatments, like any medicine, cannot be guaranteed.

Treatment, pruning, and removal of trees may involve considerations beyond the scope of the arborist's services such as property boundaries, property ownership, site lines, disputes between neighbors, and other issues. Arborists cannot take such considerations into account unless complete and accurate information is disclosed to the arborist. An arborist should then be expected to reasonably rely upon the completeness and accuracy of the information provided.

Trees can be managed, but they cannot be controlled. To live near trees is to accept some degree of risk. The only way to eliminate all risk associated with trees is to eliminate the trees.

7 Certification

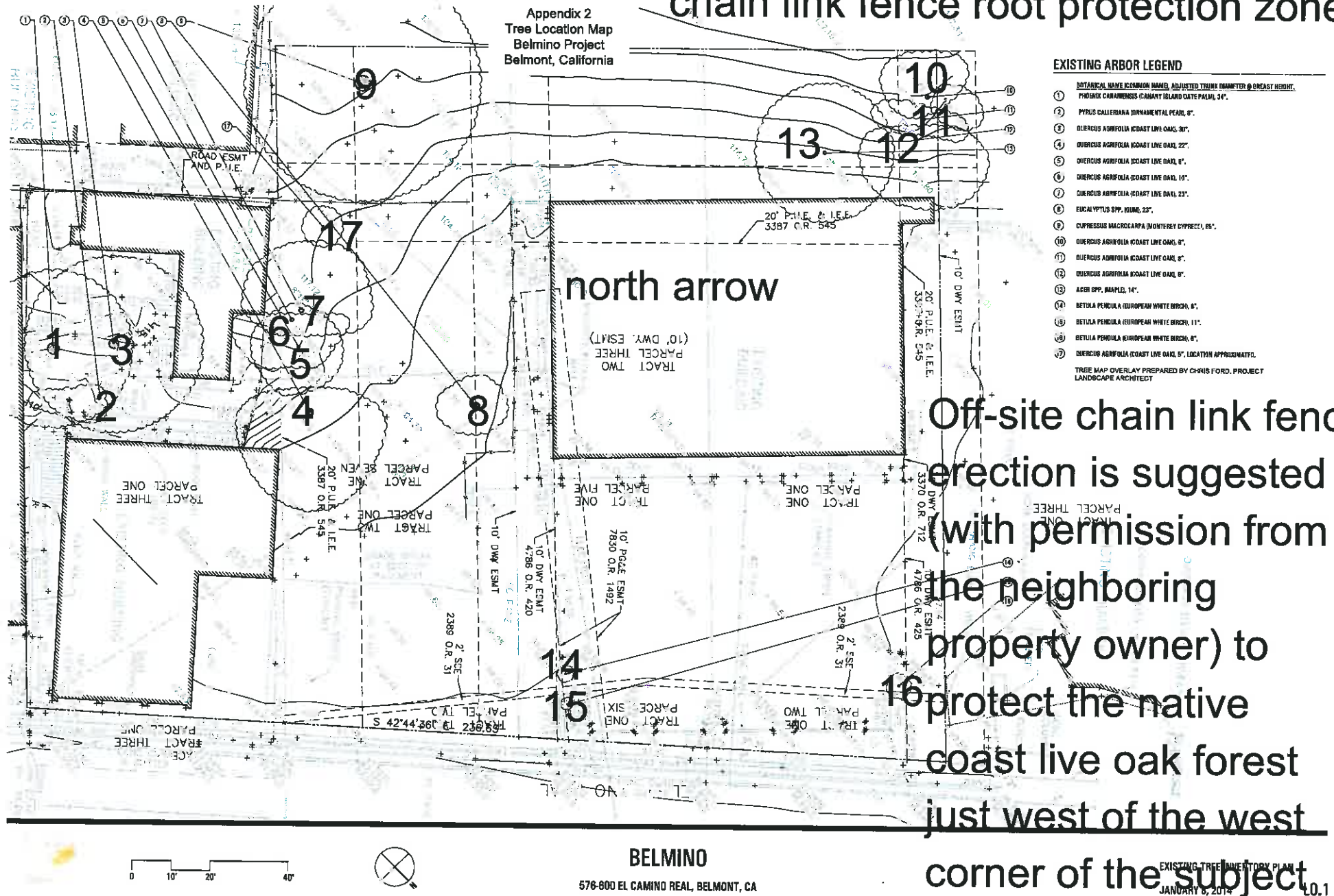
I hereby certify that all the statements of fact in this report are true, complete, and correct to the best of my knowledge and belief, and are made in good faith.


Signature of Consultant

8 Attached, Tree Location Map Mark-Up by the CCA & FTC

red dashed = CCA's suggested
chain link fence root protection zone

Appendix 2
Tree Location Map
Belmino Project
Belmont, California



Off-site chain link fence
erection is suggested
(with permission from
the neighboring
property owner) to
protect the native
coast live oak forest
just west of the west
corner of the subject
property.



STAFF REPORT

Meeting Date: October 14, 2014

Agenda Item #

Agency: City of Belmont

Staff Contact: Terri Cook, CMC, City Clerk (650) 595-7414, tcook@belmont.gov

Agenda Title: Reappointment of Belmont's Representative to the San Mateo County Mosquito and Vector Control District

Agenda Action: Resolution

Recommendation

Staff recommends that the City Council adopt a resolution reappointing Wade Leschyn to a four-year term on the San Mateo County Mosquito and Vector Control District.

Background

In March 2014, the City Council appointed Belmont resident Wade Leschyn as the Belmont Representative to the San Mateo County Mosquito and Vector Control District for a vacant term expiring in December of 2014. Mr. Leschyn has requested to be reappointed to a four-year term.

Analysis

Mr. Leschyn has served in this assignment since April of 2014 and has provided the City Council with periodic updates of District activities. He has expressed a desire to continue as the City of Belmont's representative for an additional four-year term. Terms for Trustees at the District are either two or four years, and the length of term is at the discretion of the appointing body (i.e., the City Council). The Council could appoint Mr. Leschyn to a two-year term instead of four years. Alternatively, the City Council could direct staff to seek other candidates who may be interested in serving.

Alternatives

1. Direct staff to recruit candidates for this position
2. Defer reappointment until December, when the term expires
3. Appoint Mr. Leschyn to a two-year term rather than a four-year term

Attachments

- A. Resolution
- B. Letter from Wade Leschyn seeking reappointment

Fiscal Impact

- ☒ No Impact/Not Applicable
- ☐ Funding Source Confirmed:

Source:

- ☐ Council
- ☐ Staff

Purpose:

- ☐ Statutory/Contractual Requirement
- ☐ Council Vision/Priority

Public Outreach:

- ☒ Posting of Agenda
- ☐ Other*

<input type="checkbox"/> Citizen Initiated	<input checked="" type="checkbox"/> Discretionary Action
<input checked="" type="checkbox"/> Other*	<input type="checkbox"/> Plan Implementation*

* Term will be expiring and the City Council needs to take action.

RESOLUTION NO. 2014-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT MAKING AN APPOINTMENT TO THE SAN MATEO COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT TO A FOUR-YEAR TERM THAT EXPIRES IN DECEMBER OF 2018

RESOLVED by the City Council of the City of Belmont that the following citizen is hereby appointed as the Belmont Trustee to the San Mateo Mosquito and Vector Control District to a four-year term that expires in December of 2018.

Wade Leschyn

* * *

ADOPTED October 14, 2014, by the City of Belmont City Council by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney

Wade Leschyn
1609 Valley View Avenue
Belmont, CA 94002

Belmont City Council
One Twin Pines Lane, Suite 375
Belmont, CA 94002

October 7, 2014

Honorable Mayor and City Council:

The Mosquito Special District is a very interesting assignment. I have learned that the District has had some dark times not that long ago, but the district has made changes, and I believe it has an opportunity for a bright future.

The District's mission to safeguard the health and comfort of our citizens by monitoring and reducing mosquitoes and other vectors around us is an important goal, one that is as important today as it has ever been.

New and serious diseases are appearing around the world, and many of these are capable of moving quickly, thanks to the vector animals that can carry them.

The Mosquito and Vector District is an important component of our defense.

I have learned a lot in the seven months I have been on the board. I hope it is just a beginning.

I request that I be allowed to continue in this assignment past the end of my current term in December, with a full, four year appointment.

Thank you,

A handwritten signature in cursive script that reads "Wade Leschyn". The signature is written in dark ink and has a long, sweeping horizontal line extending to the right.

Wade Leschyn



STAFF REPORT

Meeting Date: October 14, 2014

Agenda Item #11B

Agency: City of Belmont

Staff Contact: John Violet, Treasurer, (650) 637-2961, jviolet@belmont.gov

Agenda Title: Report from Audit Committee Regarding Annual Financial Report for Fiscal Year Ending June 30, 2014

Agenda Action: Receive Report

Recommendation

The Audit Committee recommends the City Council receive the financial reports and recommendations of the City's independent auditor.

Background

The Audit Committee is a practical means for Council to provide independent review and oversight of the City of Belmont's financial reporting processes, internal controls, and independent auditors. The Audit Committee also provides a forum separate from management in which auditors and other interested parties may candidly discuss concerns. By effectively carrying out its functions and responsibilities, the Audit Committee helps to ensure that staff properly develops and adheres to a sound system of internal controls, that procedures are in place to objectively assess management's practices, and that the independent auditors, through their own review, objectively assess the City's financial reporting practices.

For the year ended June 30, 2014, the reports include:

- Comprehensive Annual Financial Report (CAFR)
- Measure A Special Revenue Fund Report
- Agreed Upon Procedures Report on Compliance with Proposition 111 (City)
- Agreed Upon Procedures Report on Compliance with Proposition 111 (BFPD)
- Memorandum on Internal Control and Required Communications

Analysis

The CAFR is a complex document containing a tremendous amount of information. From an oversight standpoint, the Audit Committee has been able to provide an independent review of the City's financial reporting processes and internal controls, and finds that the City is in good financial health and is maintaining control over budgeted activities. The City's General Fund ends with a \$8.2 million fund balance, of which \$6.3 million is unassigned and available for expenditure.

The CAFR includes a Message from the Finance Director, which was inspired by GFOA's Popular Annual Financial Report Award Program, designed to provide readily accessible and easily understandable financial information to the general public and other interested parties without a background in public finance.

The CAFR is prepared by staff and has been subject to a state-required audit by an independent, certified and licensed auditor. As discussed above, the auditor has reported directly to the Audit Committee. On

October 6th, the Audit Committee received the auditor's opinion, management letter and annual financial reports prepared by staff. Understanding the Audit Committee's personal responsibility as members and the duty to exercise an appropriate degree of professional skepticism, the Audit Committee met with the auditor and discussed the financial results, along with City management. The Audit Committee satisfied itself that the reports and related information were fairly presented, to the extent such a determination can be made solely on the basis of such conversations. The Audit Committee also determined the reports were comprehensive and adequately disclosed the financial position and results of operations for the City.

In addition, the Audit Committee formally received the reports and recommendations of the City's independent auditor, which are embodied in the Memorandum on Internal Control. The City's management has prepared a formal response to those recommendations. While the Audit Committee had the opportunity to discuss the audit and recommendations with the independent auditors in private, as well as privately amongst its members, it did not believe such action was necessary.

As prescribed by policy, the Audit Committee directed the Chair to transmit this report to the City Council. By doing so, the Committee is recommending that the financial reports and recommendations of the auditor are made public. Furthermore, in performing this function, the Audit Committee has discharged its duties and met its responsibilities.

As for discharging its other responsibilities, the Audit Committee makes the following comments:

1. The Audit Committee has reviewed its provision of funding. No changes are proposed.
2. The Audit Committee has considered and determined there is no need to retain a financial expert to assist in fulfilling its responsibilities.
3. The Audit Committee has reviewed updates to the best practices, which have been added to the City's financial policies.

With respect to the reports, the Audit Committee would like to draw attention to the following:

- The Independent Auditors have issued an unqualified opinion, which is the highest level of assurance possible; however, they have added "Emphasis of Matters" paragraph for one item:
Related to the California State Controller's Office review of activities of the former redevelopment agency to determine whether an asset transfer between the redevelopment agency and public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, legislation purports to require the State Controller to order the asset returned to the successor agency. The State Controller's Office has not completed its asset transfer review and the effect of that review cannot be determined as of June 30, 2014.
- The Independent Auditors have also issued a Memorandum on Internal Control, which communicates to management, City Council, and others, control deficiencies with the design or operation of the City's internal controls over financial reporting. This Memorandum disclosed no material weaknesses or significant deficiencies.

The City of Belmont has a long history of being a best practice city and, as such, incorporates Best Practices and Advisories issued annually by the Government Finance Officers Association (GFOA) and from other sources into its Financial Policy. GFOA Best Practices and Advisories are written as a guide, and identify specific policies and procedures contributing to improved government management. They aim to promote and facilitate positive change rather than to codify current accepted practices. Periodically, the Best Practices and Advisories will include new or modified recommended practices as they apply to the City, as is the case this year. The Audit Committee recognizes the importance of Best Practices in the design, operation and administration of the City's internal control system in discharging its fiduciary duty and, similarly to the reports discussed previously, recommends City Council receive the updates to the Financial Policy.

The Audit Committee wishes to express its appreciation to the City's management, and in particular, the Finance Department staff, for the information they have provided for the Committee to compile this report.

Lastly, the Audit Committee members stand ready to answer any questions with regards to this report.

Alternatives

1. Take no action.
2. Refer to staff with direction.

Attachments

- A. CAFR (previously distributed)
- B. Memorandum on Internal Control and Required Communications (previously distributed)
- C. Financial Policy Updates

On file and available in the Finance Department:

1. Measure A Report on Compliance
2. Agreed Upon Procedures Report on Compliance with Proposition 111 (City)
3. Agreed Upon Procedures Report on Compliance with Proposition 111 (BFPD)

Fiscal Impact

- ☒ No Impact/Not Applicable
☐ Funding Source Confirmed:

Source:

- ☐ Council
☐ Staff
☐ Citizen Initiated
☒ Other*

Purpose:

- ☒ Statutory/Contractual Requirement
☐ Council Vision/Priority
☐ Discretionary Action
☐ Plan Implementation*

Public Outreach:

- ☒ Posting of Agenda
☐ Other*

*Audit Committee

City of Belmont, California

Comprehensive Annual Financial Report

2014

For the year ended June 30, 2014



CITY OF BELMONT, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2014

Prepared by
FINANCE DEPARTMENT

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Introductory Section



CITY OF BELMONT

Comprehensive Annual Financial Report
For the Year Ended June 30, 2014

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City of Belmont

Message from the Finance Director



September 22, 2014

To the Citizens of the City of Belmont, California:

We are pleased to present the City of Belmont's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City, and in particular, the Finance Department. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The following pages in this transmittal are intended to summarize and highlight the City's financial results for the fiscal year just ended and complement the Management's Discussion & Analysis (MD&A) and basic financial statements.

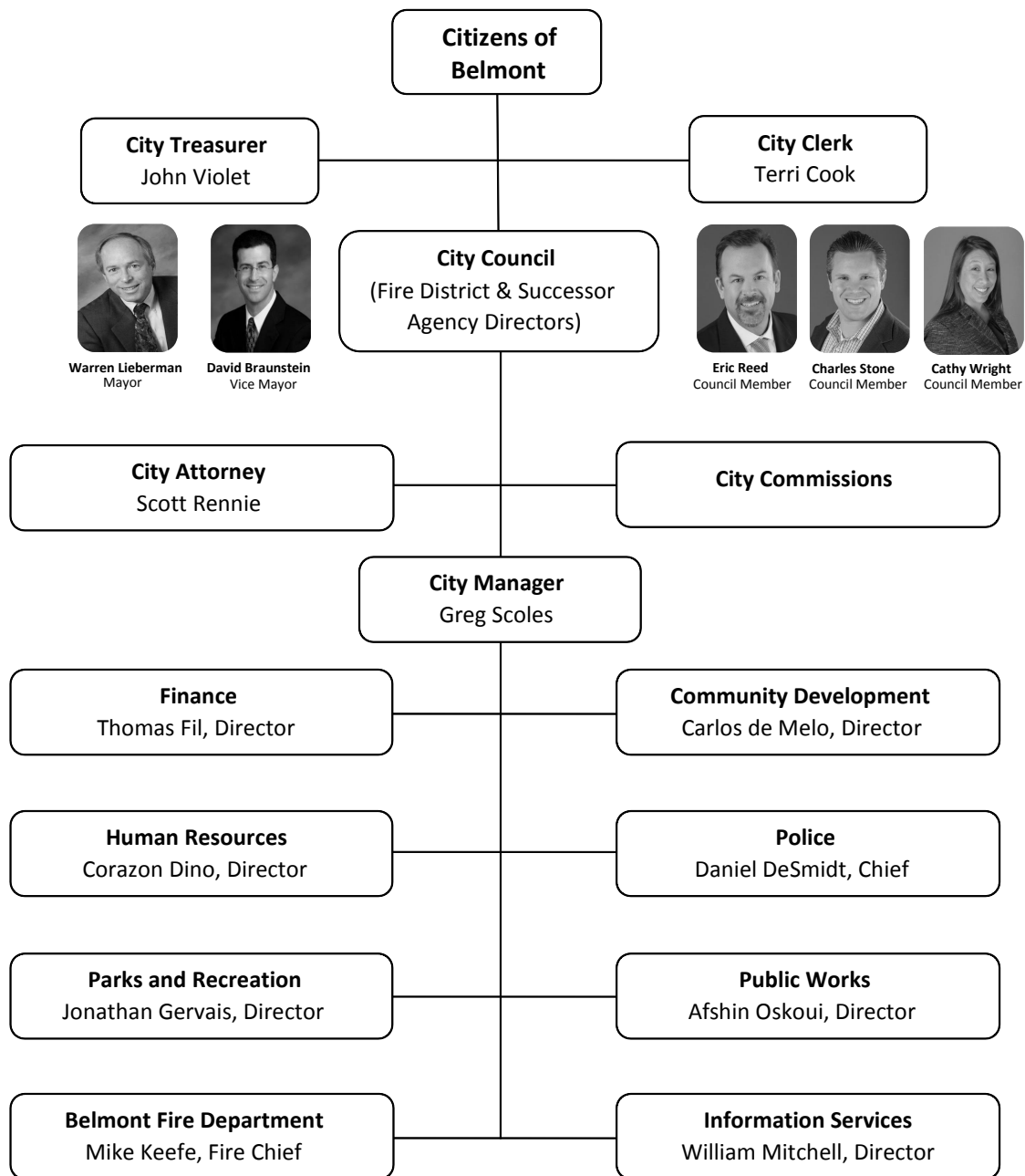
The MD&A, which provides a more comprehensive look at the City's financial results, includes a narrative introduction, overview and analysis. Readers are encouraged to read the MD&A, which can be found immediately following the independent auditor's report in the financial section of the CAFR, along with accompanying basic financial statements.

The preparation of the CAFR was made possible by the dedicated service of the entire staff of the Finance Department. Sincere appreciation is expressed to all those who assisted and contributed to its preparation.

Respectfully,

Thomas E. Fil, CPA, CPFO
Finance Director

Organizational Chart and Principal Officials



About City of Belmont

The City of Belmont, incorporated in 1926, is located on the San Francisco peninsula, midway between San Francisco and San Jose. The City of Belmont operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and four other members. The City Council is responsible, amongst other things, for passing ordinances, adopting the budget, appointing commissions, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing day-to-day operations of the City, and for appointing the heads of the various departments.

General Fund Results

General Fund Balance Trends



An unprecedented General Fund balance has been reached, but could be threatened by the increasing level of deferred maintenance and infrastructure improvement requirements discussed in greater detail below.

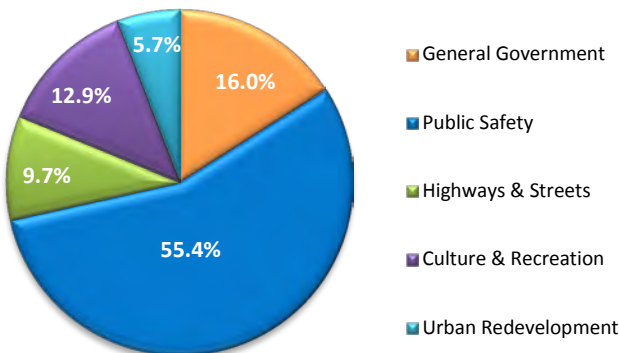
FY 14 Revenues of \$18.3 million were an increase over last year, reflecting an improvement in transient occupancy, sales and property taxes, including redistribution of property taxes from the dissolution of the Redevelopment Agency.

FY 14 Expenditures were managed and below the final budget by \$0.2 million. The savings were achieved through the continuation of sustainable budget correction strategies.

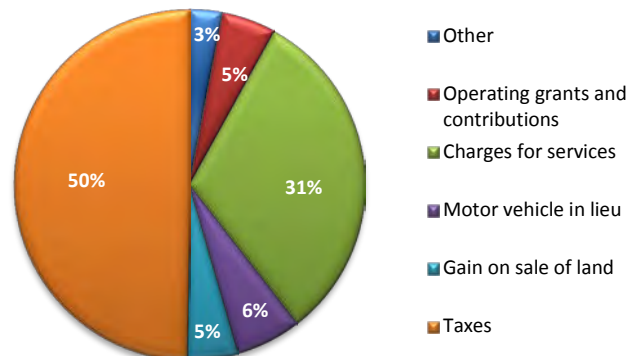
Looking forward, the FY 15 Budget is balanced and the City's five year forecast projects future General Fund balances to be above the minimum reserve requirement and achieving the policy reserve target. Also, funds were strategically sets aside such as: a \$0.7 million to bring the balance to \$1.0 million for Emergency Repairs, \$0.5 million for the General Plan Update, and \$.02 million for Affordable Housing activities.

Governmental Fund Results

Expenditures

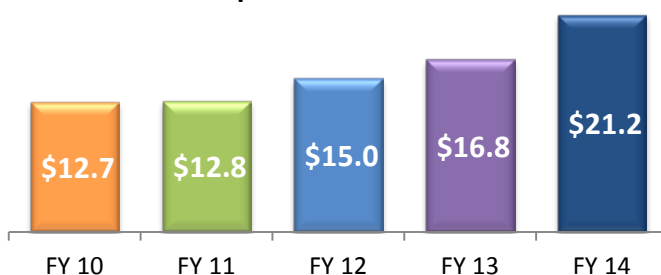


Revenues



Enterprise Fund Results

Enterprise Fund Net Assets



Operating Revenues of \$12.7 million were an increase over last year, reflecting a rate increase of the sewer collection charges.

Expenditures were controlled at \$7.2 million.

Long-Term Debt

At the end of fiscal year 2014, the City had a total of \$20.9 million in long-term debt. Debt related to governmental activities totaled \$0.7 million in capital leases for fire apparatus, while business-type activities debt equaled \$20.2 million in sewer revenue bonds. The existing long-term debt does not include addressing deferred capital maintenance and retirement obligations discussed in greater detail below.

Cash Management

Cash temporarily idle during the year was invested in U.S. Government securities and with the State Treasurer's Local Agency Investment Fund (LAIF).

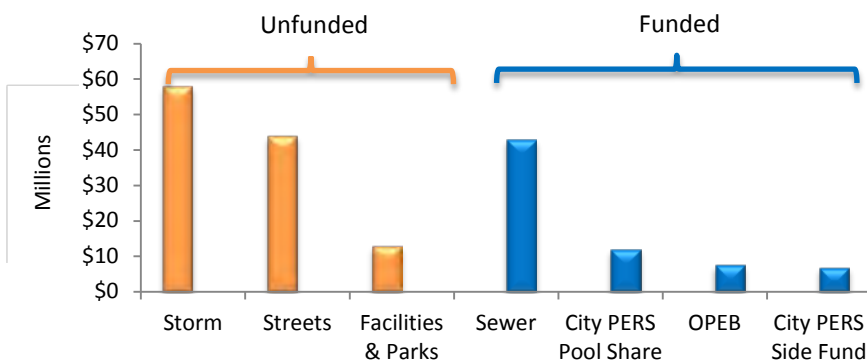
Risk Management

Since 2004, the City has purchased primary workers' compensation insurance with no deductible. All claims from that date are covered 100% by the carrier. Prior to 2004, the City maintained a self-insurance program for workers' compensation. The City also purchases commercial insurance against general liability above the City's self-insured retention of \$250,000.

Capital and Retirement Obligations

Despite the City's General Fund rebound, the increasing level of deferred maintenance and infrastructure improvement requirements are prodigious and need attention. As such, the City Council has established a top priority to identify sources of funding to address the \$158 million identified in deferred maintenance. Moreover, an Infrastructure Repair Ad-Hoc Committee has been appointed to spearhead efforts and consider alternatives which best suit the community in resolving the growing deferred capital problem which, if left unattended, could expose the City's General Fund to unreasonable risk in the event of failure.

The chart below summarizes the City's estimated capital and retirement obligations as of June 30, 2014. The "Unfunded" items currently have no identified funding source and remain a matter of serious concern. By contrast, the "Funded" items are obligations with identified funding sources, such as sewer rates or PERS and OPEB annual required contributions.

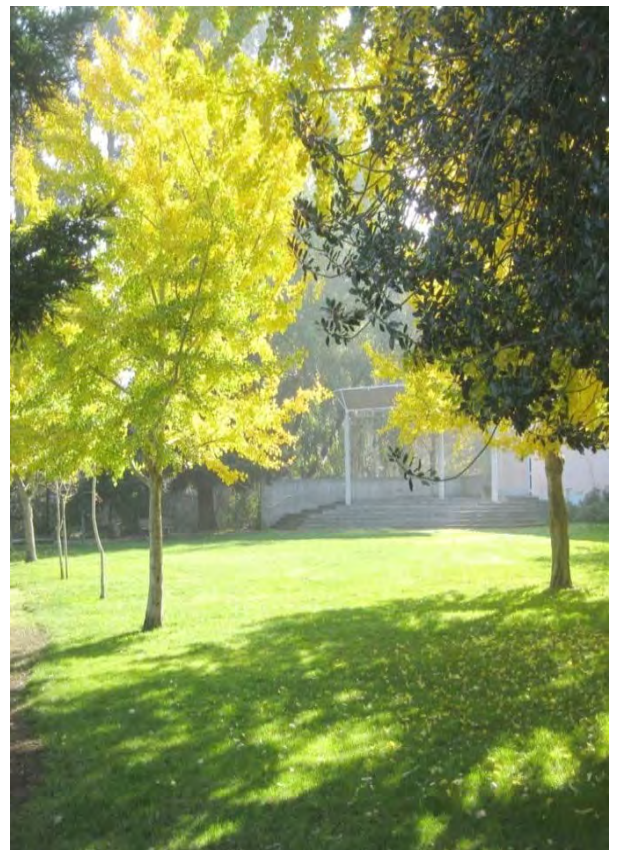


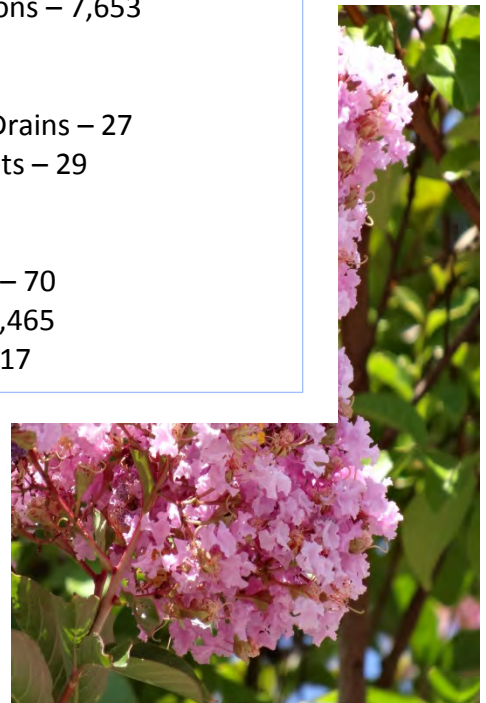
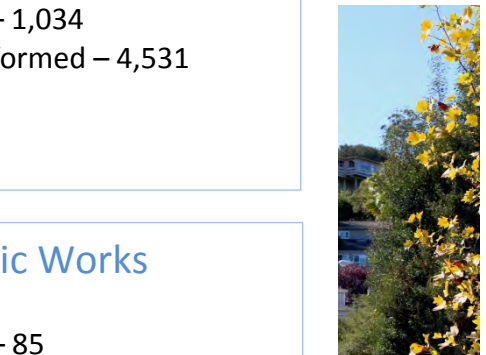
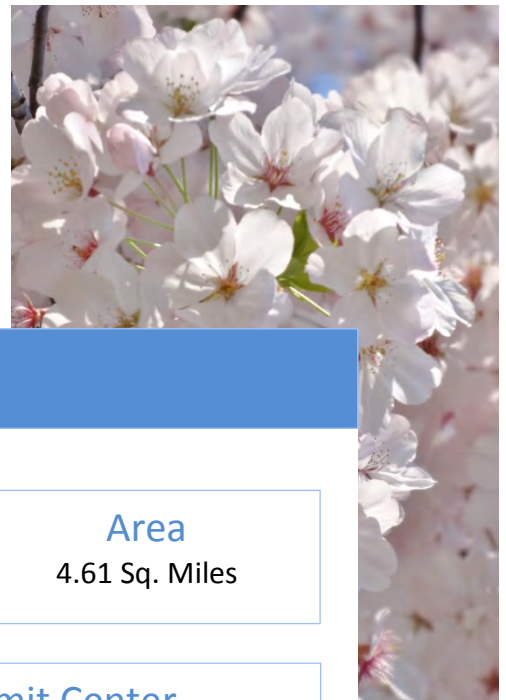
CalPERS

Recently, CalPERS approved new rate-smoothing and mortality changes aimed at fully-funding retirements within 30 years and shoring up the cost of retirement longevity. These changes, plus a risk-pooling consolidation, result in a five-year ramp up of rates followed by a five-year ramp-down with rate increases ranging from 11%-29% beginning in FY 2016.

The City has taken proactive steps to help mitigate these increases by implementing Tier 2 plans for all new hires. Further, beginning January 1, 2014, new retirement legislation, PEPRA, was instituted. While PEPRA primarily affected new employees by providing lower retirement benefits, it also affected existing employees through a series of provisions designed to reform the existing retirement system.

The FY 15 Budget and the long-term projections reflect the PEPRA and CalPERS rate changes and fully fund the annual required contributions.





Facts and Statistics

2014 Population

26,559

FTE Employees

City - 125.85; Fire - 23

Area

4.61 Sq. Miles

Parks & Recreation

Recreation Class Participants – 39,605

Developed Parks – 14

Acres of Open Space – 287.58

Acres of Developed Parks – 60.4

Permit Center

Permits Issued – 1,034

Inspections Performed – 4,531

Public Safety

Police

Calls for Service – 30,087

Traffic Violations – 1,360

Parking Violations – 2,732

Physical Arrests – 575

Fire

Calls for Service – 2,585

Annual Fire Inspections – 838

Plan Checks – 122

Public Works

Sewer

Miles of Sewer – 85

Sewer Connections – 7,653

Storm Drains

Miles of Storm Drains – 27

Storm Drain Inlets – 29

Streets

Miles of Streets – 70

Street Lights – 1,465

Traffic Signals – 17

Vision Statement

The City's Vision Statement typically drives Council's priorities and initiatives, and includes the following areas:

- Distinctive Community Character
- Easy Mobility
- Natural Beauty
- Thriving Culture
- Thriving Economy



Top 10 Employers

1. Oracle America, Inc.
2. Cengage Learning, Inc.
3. Safeway Store
4. SunEdison
5. Nikon Precision, Inc.
6. Autobahn Motors
7. Carlmont Gardens Nursing Center
8. James Electronics, LTD
9. Silverado Senior Living Belmont Hills
10. Lunardi's Market



Major Initiatives for FY 2014

- Ralston Corridor Study and Improvements
- Sale of City-Owned San Juan Hills Property
- General Plan Update
- Davey Glen Park Design and Development

Request for Information

This financial report is designed to provide a general overview of the City of Belmont's finances for all those interested.

Questions concerning any information provided in this report should be addressed to the Finance Director or for additional information regarding the City's financial activities, including past award winning CAFRs, transparency efforts and best practices please visit the City at www.belmont.gov.

Contact Us

Finance Director
Finance Department
Belmont City Hall
One Twin Pines Lane, Suite 320
Belmont, CA 94002
Phone (650) 595-7433



Financial Section



INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
City of Belmont, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Belmont as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Belmont as of June 30, 2014 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 15, ABx1 26 and AB1484 directed the State Controller to review the activities of all former redevelopment agencies and successor agencies to determine whether an asset transfer between a former redevelopment agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the successor agency. The State Controller's Office has not completed its asset transfer review and the effect of that review cannot be determined as of June 30, 2014.

The emphasis of these matters does not constitute modifications to our opinion.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Introductory Section, Supplemental Information and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mare & Associates

Pleasant Hill, California
September 22, 2014

<p style="text-align: center;">CITY OF BELMONT MANAGEMENT'S DISCUSSION AND ANALYSIS</p>

In an effort to make these financial statements clearer and more understandable to readers, the City provides this discussion and analysis of its financial activities for the fiscal year ended June 30, 2014. Please read this document in conjunction with the Letter of Transmittal and accompanying Basic Financial Statements.

FINANCIAL HIGHLIGHTS

City-wide:

- City total assets increased by \$5.9 million to \$134.7 million, of which \$92.4 million represented governmental assets and \$42.3 million represented business-type assets.
- City total liabilities increased by \$0.7 million to \$27.1 million, of which \$5.9 million were governmental liabilities and \$21.2 million were business-type liabilities.
- The City's total net position increased by \$5.3 million to \$107.6 million. Of this amount, \$13.6 million (unrestricted governmental net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- City-wide revenues were \$48.9 million, of which \$36.2 million were generated by governmental activities and \$12.7 million were generated by business-type activities.
- City-wide expenses were \$43.4 million, of which \$35.0 million were incurred by governmental activities and \$8.4 million were incurred by business-type activities.

Fund Level:

- Governmental Fund balances increased \$3.8 million to \$21.6 million. Of this amount, \$6.3 million, or 29.0%, was unassigned fund balance and available for spending at the City's discretion.
- Governmental Fund revenues were \$34.0 million, an increase of \$2.1 million from fiscal year 2013.
- Governmental Fund expenditures increased by \$1.4 million to \$32.0 million in fiscal year 2014, from \$30.6 million in the prior year.
- Enterprise Fund net position increased by \$4.3 million to \$21.2 million. Of this amount, \$12.4 million was unrestricted net position and available for spending at the City's discretion.
- Enterprise Fund operating revenues were \$12.7 million in fiscal year 2014 compared to \$11.4 million in the prior year.
- Enterprise Fund operating expenses were \$7.2 million in fiscal year 2014, a decrease from \$8.1 million in fiscal year 2013.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Comprehensive Annual Financial Report is composed of the following:

1. Introductory section, which includes the Transmittal Letter and general information,
2. Management's Discussion and Analysis (this part),
3. Basic Financial Statements, which include the Government-wide and the Fund financial statements along with the Notes to these financial statements,
4. Combining statements for Non Major Governmental Funds and Fiduciary Funds,
5. Successor Agency reporting, and
6. Statistical information.

The Basic Financial Statements

The Basic Financial Statements consist of the City-wide Financial Statements and the Fund Financial Statements. These two sets of financial statements provide two different views of the City's financial activities and financial position—long-term and short-term.

The City-wide Financial Statements provide a longer-term view of the City's activities as a whole, and consist of the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the City as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all of the City's revenues and expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each of the City's programs. The Statement of Activities explains in detail the change in Net Position for the year.

The Fund Financial Statements report the City's operations in more detail than the City-wide statement and focus primarily on the short-term activities of the City's General Fund and other Major Funds. The Fund Financial Statements measure only current revenues and expenditures, current assets, liabilities and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the City and are presented individually, while the activities of Non-major Funds are presented in summary, with subordinate schedules presenting the detail for each of these other funds. Major Funds are explained below.

The City-wide Financial Statements

All of the City's basic services are considered to be Governmental activities, including: general government, public safety, highways and streets, culture and recreation, and miscellaneous. These services are supported by the City's general revenues such as taxes and by specific program revenues such as fees.

All of the City's enterprise activities are reported as Business-type activities, including sewer, storm drainage, and solid waste. Unlike governmental services, these activities are supported by charges paid by users based on the amount of service they use.

The City's governmental activities include the activities of separate legal entities: the Belmont Fire Protection District and the Belmont Joint Powers Financing Authority. The City is financially accountable for these entities.

City-wide financial statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the City as a whole.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Belmont, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Belmont can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

The Fund financial statements provide detailed information about each of the City's most significant funds, called Major Funds. Each Major Fund is presented individually with all Non-major Funds summarized and presented only in a single column. Subordinate schedules present the detail of these Non-major funds. Major Funds present the major activities of the City for the year. The General Fund is always a Major Fund, but other funds may change from year to year as a result of changes in the pattern of the City's activities.

The City has two Major Governmental Funds in fiscal year 2014 in addition to the General Fund, which are discussed in the Analysis of Major Governmental Funds section.

Comparisons of Budget and Actual financial information are presented only for the General Fund and other Major governmental funds that are Special Revenue Funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Governmental fund financial statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are presented only in the city-wide financial statements.

The focus of governmental funds is narrower than that of government-wide financial statements, so it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the City's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary funds. The City of Belmont maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Belmont uses enterprise funds to account for its sewer, storm drain, and solid waste. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Belmont's various functions. The City of Belmont uses internal service funds to account for its workers compensation, liability, vision, benefit stabilization, fleet and equipment, facilities management, and other such services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Sewer, Storm Drainage, and Solid Waste activities. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Statement. The City acts as an agent on behalf of others, holding amounts collected, and disbursing them as directed or required. The City's fiduciary activities are reported in the separate Statements of Fiduciary Net Position and the Agency Funds Statement of Changes in Assets and Liabilities. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its own operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the fund financial statements in this report.

Other Information

The combining statements referred to earlier, in connection with non-major governmental funds and internal service funds, are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found in the supplemental information section of this report.

The combining statements referred to earlier, in connection with non-major governmental funds and internal service funds, are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found in the supplemental information section of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The net position and changes in net position of the City's Governmental Activities (Tables 1 and 2) and Business-Type Activities (Tables 3 and 4) are presented in the City-wide Statement of Net Position and Statement of Activities.

Governmental Activities

Table 1 Governmental Net Position at June 30, 2014 and 2013 (in Thousands)		
	2014	2013
Current and other assets	\$25,608	\$22,059
Capital assets	66,763	68,171
Total assets	92,371	90,230
Current and other liabilities	3,328	2,717
Long-term obligations outstanding	2,642	2,061
Total liabilities	5,970	4,778
Net position:		
Net Investment in Capital Assets	66,108	67,418
Restricted	6,664	6,722
Unrestricted	13,629	11,312
Total net position	\$86,401	\$85,452

Net Position

Net position may serve over time as a useful indicator of a government's financial position. This analysis focuses on the net position and year-to-year changes in net position of the City as a whole. As shown in Table 1 above, the City's governmental total net position are \$86.4 million, representing the difference between total assets and total liabilities. During fiscal year 2014, the overall net position increased by \$1.0 million, or 1.0%, from \$85.4 million in fiscal 2013. This Change in Net Position reflects an increase in the Statement of Activities as shown in Table 2 and is explained later in this report.

The largest portion, approximately 76.5%, or \$66.1 million, of the City's net position represents its investment in infrastructure and other capital assets (e.g., land, buildings, other improvements, etc.) used in Governmental activities, net of amounts borrowed to finance that investment. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it

should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be liquidated for these liabilities.

An additional portion of the City's governmental net position of \$6.7 million, or 7.7%, represents resources that are subject to restrictions that may only be used to construct specified capital projects, debt service, redevelopment, or special revenue programs. The restrictions on these funds were placed by outsiders and cannot be changed by the City.

The remaining balance of unrestricted net position of \$13.6 million, or 15.8%, was for unrestricted uses in accordance with finance-related legal requirements reflected in the City's fund structure. These can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions.

At the end of the fiscal year 2014, the City is able to report positive balances in all three categories of net position for the government as a whole.

Changes in Net Position

The Statement of Activities provides information about all the City's revenues and all its expenses, with the emphasis on measuring net revenues or expenses of each of the City's programs. The Statement of Activities explains in detail the change in Net Position for the year.

The City's Governmental activities net position increased by \$0.9 million. The City's fiscal year 2014 governmental revenue increased by \$3.8 million to \$36.2 million. The governmental expenses increased by \$2.5 million to \$35.3 million.

Of the total governmental revenues, total program revenues decreased by \$0.6 million, or 4.6%, to \$13.8 million from the same time in the prior year.

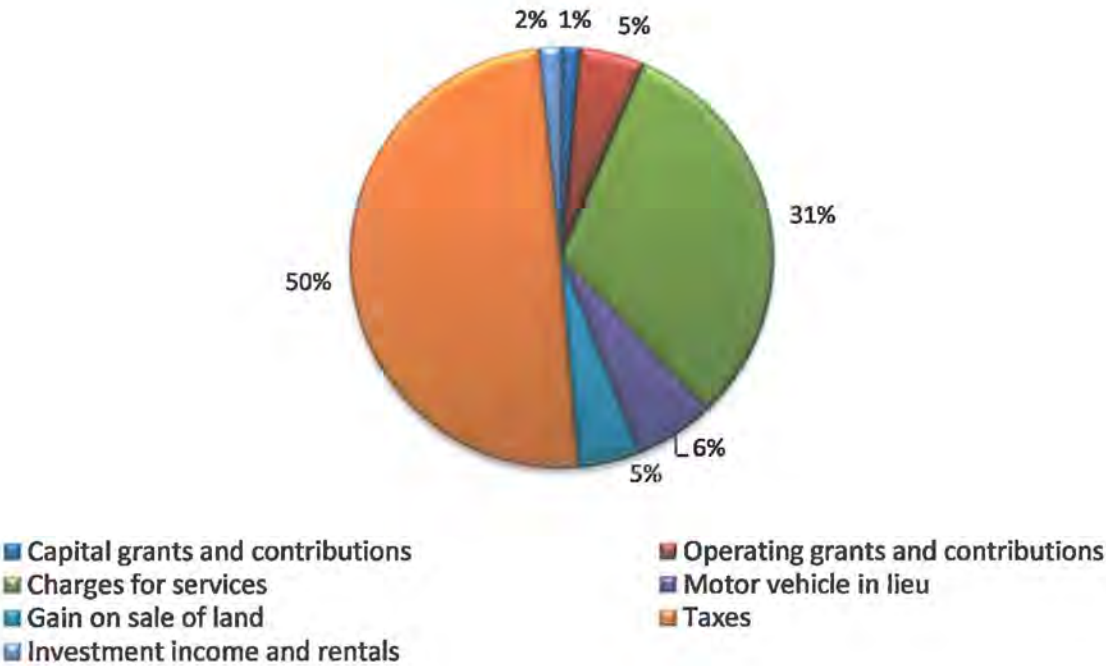
General revenues increased \$3.3 million, of which \$1.7 million was a gain on the sale of land in the San Juan Canyon and a \$1.0 million increase in property taxes reflecting strong housing prices and sales.

Table 2
Changes in Governmental Net Position
(in Thousands)

	2014	2013
Revenues		
Program revenues:		
Charges for services	\$11,438	\$10,647
Operating grants and contributions	1,817	1,636
Capital grants and contributions	519	874
Total program revenues	13,774	13,157
General revenues:		
Taxes:		
Property taxes	11,865	10,918
Sales taxes	2,831	2,792
Other taxes	3,260	3,018
Motor vehicle in lieu	2,168	1,942
Gain on sale of land	1,737	
Investment earnings and rentals and miscellaneous	610	533
Total general revenues	22,471	19,203
Total revenues	36,245	32,360
Expenses		
General government	5,593	5,354
Public safety	19,429	18,000
Highways and streets	3,413	3,242
Culture and recreation	4,530	4,275
Urban redevelopment	2,295	1,885
Interest on long-term debt	37	68
Total expenses	35,297	32,824
Change in net position	949	(464)
Net position-Beginning	85,452	85,917
Net position-Ending	\$86,401	\$85,452

The following charts display the City’s governmental activities for fiscal year 2014, highlighting the proportionate elements of the Revenue and Expenses by program.

**Revenues by Source
Governmental Activities**



**Expenses and Program Revenues
Governmental Activities
(in thousands)**



Business-Type Activities

The statement of Business-Type Net Position (Table 3) and statement of Business-Type Activities (Table 4) present a summary of the City's business-type activities, which are composed of the City's enterprise funds.

Net Position

As shown on Table 3 below, the net position of business-type activities were \$21.2 million in fiscal year 2014. This was a \$4.3 million or 25.7% increase over the beginning net position. This increase was attributable, in part, to revenues associated with the sewer treatment facility charge, which began collection in fiscal year 2012. \$5.6 million or 26.7% of net position is invested in capital assets, net of related debt, while \$3.1 million is restricted for sewer treatment facility charges, and \$12.4 million or 58.6% are unrestricted and available for the operations of the proprietary funds.

Table 3		
Business-Type Net Position at June 30, 2014 and 2013		
(in Thousands)		
	2014	2013
Current and other assets	\$27,758	\$24,039
Capital assets	14,583	14,562
Total assets	42,341	38,601
Current and other liabilities	1,172	1,459
Long-term debt outstanding	19,985	20,297
Total liabilities	21,757	21,757
Net position:		
Net investment in capital assets	5,648	5,419
Restricted	3,109	3,108
Unrestricted	12,427	8,317
Total net position	\$21,184	\$16,844

Changes in Net Position

As shown on Table 4, total program revenues of business-type activities were \$12.7 million in fiscal year 2014, an increase of \$1.2 million, or 11.0%, from the prior year. The increase was primarily attributable to the 9% rate increase in the Sewer Enterprise Fund.

Table 4 Business-Type Activities (in Thousands)		
	2014	2013
Revenues		
Program Revenues:		
Charges for Services	\$12,678	\$11,418
Total program revenues	12,678	11,418
General Revenues:		
Investment earnings and miscellaneous	15	11
Total general revenues	15	11
Total revenues	12,693	11,429
Expenses		
Sewer	6,657	6,396
Storm Drainage	1,237	1,215
Solid Waste	460	1,482
Total expenses	8,354	9,093
Change in net position	\$4,339	\$2,337

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Table 5 below summarizes Governmental balances at the fund level:

Table 5 Financial Highlights at Fund Level at June 30 (in Thousands)		
	2014	2013
Total assets	\$22,957	\$20,611
Total liabilities	1,345	2,778
Total fund balances	21,612	17,833
Total revenues	34,063	31,954
Total expenditures	32,010	30,611
Total other financing sources (uses)	1,725	(262)

As of June 30, 2014, the City's Governmental Fund reported combined ending fund balances of \$21.6 million, an increase of \$3.8 million, or 21.1%, from the prior year. In comparison with the prior year, revenues increased by \$2.1 million to \$34.1 million, and expenditures increased by \$1.4 million to \$32.0 million.

Analyses of Major Governmental Funds

General Fund

As the principal operating fund of the City, the General Fund, by definition, is a major Governmental fund. The General Fund accounted for 53.5% of the total governmental revenues and 47.3% of the total expenditures. A number of City services are accounted for in the General Fund, including public safety, general government, and culture and recreation.

At the end of the current fiscal year, the unassigned fund balance of the General Fund of \$6.3 million represents nearly all of the \$8.2 million total fund balance. Since the unassigned fund balance represents available liquid resources for spending at the City's discretion, it may be useful to compare the unassigned fund balance to total fund expenditures. The City's unassigned fund balance represents 41.4%, or equates to 151 days, of total General Fund expenditures (excluding transfers out) for the year.

During fiscal year 2014, the total fund balance of the City's General Fund increased significantly by \$2.0 million, representing a 32.3% increase over the prior year. The increase was reflective of \$0.6 million in taxes including additional property taxes received from the dissolution of the RDA and the redistribution to taxing entities along with increases in transient occupancy taxes and property taxes reflecting an improvement in the local economy. In addition, expenditures remained nearly flat from the continuation of sustainable budget correction strategies.

General Fund Budgetary Highlights: The 2013-14 fiscal year adopted budget for General Fund expenditures amounted to \$15.2 million (excluding \$1.6 million transfers out). The final budget amount was \$15.4 million.

General Fund revenues were \$18.2 million, in excess of the final amended budget by \$0.3 million. The additional funds were in the taxes and licenses and permits categories.

Overall expenditures were below the final budget by \$0.2 million. The variance of \$0.4 million in budgeted transfers represents better than budgeted performance in the Recreation Special Revenue Fund, Development Services Special Revenue Fund, and the Facilities Management Internal Service Fund.

Belmont Fire Protection District Fund

The Belmont Fire Protection District (the District) accounts for resources received by a special district, shown as a blended component unit, from the citizens of Belmont and the unincorporated Harbor Industrial Area to finance fire protection and suppression services.

At June 30, 2014, the fund balance decreased \$0.3 million over the prior year. Overall revenues increased \$0.7 million, primarily from strong growth and increasing prices in home sales, which increased property tax revenue. Overall expenditures increased \$1.0 million, primarily from an increase of \$0.7 million to fund legacy costs of the Belmont-San Carlos Fire Department.

Affordable Housing Successor Agency Special Revenue Fund

This fund was created to account for Housing functions of the former Redevelopment Agency that the City elected to retain as permitted under ABx1 26. At June 30, 2012, assets primarily consist of loans receivable and land held for redevelopment that were transferred from the former Low and Moderate Incoming Housing Special Revenue Fund.

Analysis of Business-Type Activities—Enterprise Funds

Sewer Fund

This fund accounts for sanitary sewer services provided to the citizens of Belmont. All activities necessary to provide such services are accounted for in this fund, including but not limited to administration, operations, treatment, maintenance, and capital improvement.

Sewer fund operating revenues were \$1.2 million higher at \$11.3 million compared to the previous year, which reflects an approved 9% increase in sewer collection system revenues. Operating expenses were unchanged at \$5.4 million. Net position totaled \$16.5 million on June 30, 2014. \$1.6 million was invested in capital assets, net of related debt, \$3.1 million was restricted for treatment facility charges, and \$11.8 million was unrestricted fund balance, including investment in Silicon Valley Clean Water joint venture.

Storm Drainage Fund

This fund is used to account for the maintenance of the storm drain system and other activities related to the mandated National Pollution Discharge Elimination System (NPDES).

Storm drainage fund operating revenues, which consist primarily of NPDES storm drain charges, decreased slightly to \$0.5 million. Operating expenses were unchanged at \$1.2 million. Net position totaled \$4.0 million on June 30, 2014, with \$4.0 million invested in capital assets, net of related debt.

Solid Waste Fund

Operating revenues increased to \$0.9 million. Operating expenses of \$0.5 million decreased by \$1.0 million from the prior year. As of June 30, 2014, net position was \$0.6 million, which are not restricted as to use.

CAPITAL ASSETS

Capital assets recorded on the City's financial statements are shown in Table 6. Further detail may be found in Note 7 to the financial statements.

Table 6 Capital Assets at Year-end (in Thousands)		
	2014	2013
<i>Governmental Activities</i>		
Land	\$12,609	\$12,923
Construction in progress	168	100
Buildings	38,688	38,572
Improvements other than buildings	832	712
Streets and infrastructure	42,521	41,592
Machinery and equipment	4,975	4,627
Vehicles	4,661	4,585
Less accumulated depreciation	(37,691)	(34,939)
Totals	\$66,763	\$68,171
<i>Business-Type Activities</i>		
Land	\$15	\$15
Construction in progress		202
Improvements other than buildings	26,018	25,085
Machinery and equipment	211	198
Less accumulated depreciation	(11,661)	(10,938)
Totals	\$14,583	\$14,562

The net decrease of \$1.4 million for governmental activities in fiscal year 2014 consists of an increase in accumulated depreciation along with the minimal addition of new assets during the year. See Note 7 A to the financial statements for additional information.

Business-type activities were unchanged at \$14.6 million.

The City depreciates all of its capital assets over the estimated useful lives. The purpose of depreciation is to spread the cost of a capital asset over the years of its useful life so that an allocable portion of the cost of the asset is borne by all users. Additional information on depreciable lives can be found in Note 1 G to the financial statements.

DEBT ADMINISTRATION

Each of the City's debt is discussed in more detail in Note 8 to the financial statements. Scheduled retirements were made, which caused the reduction in debt. A summary of debt activity follows:

Table 7
Outstanding Debt
(in Thousands)

	2014	2013
<i>Governmental Activity Debt:</i>		
Capital Lease:		
2011 Lease Purchase Financing- Fire Truck, 4.75%, due 2021	\$398	445
2008 Lease Purchase Financing-Fire Truck, 4.16%, due 2019	257	308
Subtotal Governmental Activity Debt	655	753
<i>Business-type Debt – Sewer Enterprise Fund:</i>		
Long-Term Bonds Payable:		
2001 Sewer Revenue Bonds, 4.375%-5.00%, due 2032	5,625	5,820
2006 Sewer Revenue Bonds, 4.00%-4.375%, due 2036	6,400	6,575
2009 Sewer Revenue Bonds, 3.00%-5.00%, due 2042	8,185	8,345
Subtotal Business-type Debt	20,210	20,740
Total Long-Term Obligations	\$20,865	\$21,493

ECONOMIC OUTLOOK AND MAJOR INITIATIVES

The economy of the City and its major initiatives for the coming year are discussed in detail in the accompanying Transmittal Letter.

REDEVELOPMENT DISSOLUTION

Effective January 31, 2012, the Belmont Redevelopment Agency (RDA) was dissolved pursuant to ABx1 26. The California Department of Finance (DOF) questioned payments made by the RDA between January 1, 2011 and January 31, 2012 and demanded that the Successor Agency of the former RDA recover from the City and remit to the Auditor-Controller of the County of San Mateo the amount of \$1,333,533 for distribution to taxing entities. The City challenged DOF's position and settlement negotiations were ongoing at June 30. Subsequent to June 30, the City and DOF reached a settlement agreement which resolved the disputed payments.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This Comprehensive Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this Report should be directed to the Finance Department at One Twin Pines Lane, Suite 320, Belmont, CA 94002. Additional information about the City's operations and activities can be obtained from the website at www.belmont.gov.

STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES
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The Statement of Net Position and the Statement of Activities summarize the City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets and all its liabilities, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. Since the City's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The City's Business-type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The format of the Statement of Activities presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City, the Belmont Fire Protection District and the Belmont Joint Powers Financing Authority, which are legally separate but are component units of the City because they are controlled by the City, which is financially accountable for the activities of these entities.

These financial statements along with the fund financial statements and footnotes are called *Basic Financial Statements*.

CITY OF BELMONT
STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments (Note 3)	\$19,763,364	\$5,173,898	\$24,937,262
Cash and investments with fiscal agent (Note 3)		1,913,372	1,913,372
Receivables:			
Accounts	863,506	157,580	1,021,086
Interest	18,900		18,900
Due from other governmental agencies	414,290	79,908	494,198
Notes & long-term receivable (Note 5)	950,357		950,357
Prepaids and other assets	281,639		281,639
Land held for resale (Note 6)	3,315,328		3,315,328
Investment in SVCW- Joint Venture (Note 13)		20,433,823	20,433,823
Capital assets (Note 7)			
Land and construction in progress	12,777,731	14,792	12,792,523
Depreciable assets, net	53,985,539	14,567,862	68,553,401
Total Assets	92,370,654	42,341,235	134,711,889
LIABILITIES			
Accounts payable, claims and other liabilities/ contracts payable	1,280,294	467,780	1,748,074
Deposits	384,956		384,956
Unearned revenue	232,648		232,648
Claims payable (Note 12)			
Due within one year	332,894	75,000	407,894
Due in more than one year	239,182	175,000	414,182
Compensated absences (Note 1H)			
Due within one year	994,980	79,590	1,074,570
Due in more than one year	1,849,603	150,022	1,999,625
Long-term debt (Note 8)			
Due within one year	102,306	550,000	652,306
Due in more than one year	553,177	19,660,000	20,213,177
Total Liabilities	5,970,040	21,157,392	27,127,432
NET POSITION (Note 9)			
Net investment in capital assets	66,107,787	6,447,043	72,554,830
Restricted for:			
Capital projects	961,330		961,330
Special revenue programs	5,702,711		5,702,711
Sewer Treatment Facility Charge		3,108,838	3,108,838
Total Restricted Net Position	6,664,041	3,108,838	9,772,879
Unrestricted	13,628,786	11,627,962	25,256,748
Total Net Position	\$86,400,614	\$21,183,843	\$107,584,457

See accompanying notes to financial statements

CITY OF BELMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$5,592,651	\$4,601,332	\$154,166		(\$837,153)		(\$837,153)
Public safety	19,429,456	1,177,218	154,558		(18,097,680)		(18,097,680)
Highways and streets	3,412,713	459,815	1,463,274	\$509,913	(979,711)		(979,711)
Culture and recreation	4,530,410	2,130,365	45,347	9,341	(2,345,357)		(2,345,357)
Urban redevelopment	2,295,295	3,069,625			774,330		774,330
Interest on long-term debt	37,019				(37,019)		(37,019)
Total Governmental Activities	35,297,544	11,438,355	1,817,345	519,254	(21,522,590)		(21,522,590)
Business-type Activities:							
Sewer	6,657,220	11,290,621				\$4,633,401	4,633,401
Storm Drainage	1,236,911	520,119				(716,792)	(716,792)
Solid Waste	459,967	867,710				407,743	407,743
Total Business-type Activities	8,354,098	12,678,450				4,324,352	4,324,352
Total	\$43,651,642	\$24,116,805	\$1,817,345	\$519,254	(21,522,590)	4,324,352	(17,198,238)
General revenues:							
Taxes:							
Property taxes					11,864,792		11,864,792
Sales taxes					2,831,248		2,831,248
Transient occupancy taxes					1,722,803		1,722,803
Franchise					1,537,197		1,537,197
Motor vehicle in lieu, unrestricted					2,168,184		2,168,184
Investment earnings and rentals					603,489	15,126	618,615
Gain on sale of land					1,736,525		1,736,525
Miscellaneous					6,581		6,581
Total general revenues					22,470,819	15,126	22,485,945
Change in Net Position					948,229	4,339,478	5,287,707
Net Position-Beginning					85,452,385	16,844,365	102,296,750
Net Position-Ending					\$86,400,614	\$21,183,843	\$107,584,457

See accompanying notes to financial statements

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FUND FINANCIAL STATEMENTS

Fund Financial Statements are presented by individual major funds, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year.

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City. Individual non-major funds may be found in the Supplemental section.

GENERAL FUND

The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as police protection, parks operations and maintenance, and legal and administrative services.

BELMONT FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND

To account for property taxes received and expended by the District on providing fire protection services to the City of Belmont and the unincorporated Harbor Industrial Area.

AFFORDABLE HOUSING SUCCESSOR AGENCY SPECIAL REVENUE FUND

To account for Housing functions of the former Redevelopment Agency that have been retained by the City.

CITY OF BELMONT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2014

	General	Belmont Fire Protection District	Affordable Housing Successor Agency	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments (Note 3)	\$7,375,144	\$4,199,441	\$109,179	\$5,351,142	\$17,034,906
Receivables:					
Accounts	616,069	189,240		50,426	855,735
Interest	18,900				18,900
Due from other governmental agencies	261,424			152,866	414,290
Due from other funds (Note 4B)	97,560				97,560
Notes (Note 5)			950,357		950,357
Prepays and other assets	269,588				269,588
Land held for resale (Note 6)	298,748		3,016,580		3,315,328
Total Assets	\$8,937,433	\$4,388,681	\$4,076,116	\$5,554,434	\$22,956,664
LIABILITIES					
Accounts payable, and other liabilities / contracts payable	\$250,964	\$221,737	\$2,466	\$154,655	\$629,822
Deposits	249,922		72,060	62,974	384,956
Unearned revenue	232,648				232,648
Due to other funds (Note 4B)				97,560	97,560
Total Liabilities	733,534	221,737	74,526	315,189	1,344,986
FUND BALANCES (Note 9)					
Nonspendable	568,336				568,336
Restricted		4,166,944	4,001,590	3,921,864	12,090,398
Committed				104,039	104,039
Assigned	1,377,103			1,213,342	2,590,445
Unassigned	6,258,460				6,258,460
Total Fund Balances	8,203,899	4,166,944	4,001,590	5,239,245	21,611,678
Total Liabilities, deferred inflows of resources, and Fund Balances	\$8,937,433	\$4,388,681	\$4,076,116	\$5,554,434	\$22,956,664

See accompanying notes to financial statements

CITY OF BELMONT
Reconciliation of the
GOVERNMENTAL FUNDS – BALANCE SHEET
with the
STATEMENT OF NET POSITION
JUNE 30, 2014

Total fund balances reported on the governmental funds balance sheet	\$21,611,678
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Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	66,763,270
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ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance to individual governmental funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Position.

Cash and investments	2,728,458
Accounts receivable	7,771
Prepays and other assets	12,051
Accounts payable and other liabilities / contracts payable	(393,761)
Claims payable	(572,076)
Compensated absences	(113,698)

LONG-TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:

Long-term debt	(655,483)
Accrued liability	(256,711)
Compensated absences	(2,730,885)

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$86,400,614
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See accompanying notes to financial statements

CITY OF BELMONT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

	General	Belmont Fire Protection District	Affordable Housing Successor Agency	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$9,109,363	\$7,913,193		\$1,759,064	\$18,781,620
Licenses and permits	879,644			786,146	1,665,790
Fines and forfeitures	209,475			89,109	298,584
Use of money and property	303,771	1,555	\$109,265	5,990	420,581
Intergovernmental	3,816,090	102,806		675,277	4,594,173
Charges for current services	3,836,537	113,162		3,516,520	7,466,219
Miscellaneous	100,270	633,034		102,431	835,735
Total Revenues	18,255,150	8,763,750	109,265	6,934,537	34,062,702
EXPENDITURES					
Current:					
General government	3,967,090				3,967,090
Public safety	9,628,495	8,717,932		180,644	18,527,071
Highways and streets				1,843,701	1,843,701
Culture and recreation	1,573,553			2,588,703	4,162,256
Urban redevelopment:			127,913	1,821,552	1,949,465
Capital outlay		169,450		1,255,856	1,425,306
Debt service:					
Principal		97,907			97,907
Interest and fiscal charges		32,893		4,126	37,019
Total Expenditures	15,169,138	9,018,182	127,913	7,694,582	32,009,815
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,086,012	(254,432)	(18,648)	(760,045)	2,052,887
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets				2,050,000	2,050,000
Transfers in (Note 4A)	135,315			1,323,485	1,458,800
Transfers (out) (Note 4A)	(1,217,897)			(565,404)	(1,783,301)
Total Other Financing Sources (Uses)	(1,082,582)			2,808,081	1,725,499
NET CHANGE IN FUND BALANCES	2,003,430	(254,432)	(18,648)	2,048,036	3,778,386
BEGINNING FUND BALANCES (DEFICIT)	6,200,469	4,421,376	4,020,238	3,191,209	17,833,292
ENDING FUND BALANCES (DEFICIT)	\$8,203,899	\$4,166,944	\$4,001,590	\$5,239,245	\$21,611,678

See accompanying notes to financial statements

CITY OF BELMONT
Reconciliation of the
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
with the
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$3,778,386
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Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.	
The capital outlay and departmental expenditures are therefore added back to fund balance	1,244,465
Sale of nondepreciable capital asset	(313,475)
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$301,696 which has already been allocated to serviced funds)	(2,521,672)

LONG TERM DEBT PROCEEDS AND PAYMENTS

Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.	97,907
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ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):	
Accrued liability	(256,711)
Compensated absences	(459,238)

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.	
Change in Net Position - All Internal Service Funds	(621,433)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$948,229
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See accompanying notes to financial statements

CITY OF BELMONT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$8,858,275	\$8,858,275	\$9,109,363	\$251,088
Licenses and permits	773,613	773,613	879,644	106,031
Fines and forfeitures	223,275	223,275	209,475	(13,800)
Use of money and property	293,613	293,613	303,771	10,158
Intergovernmental	3,692,965	3,794,951	3,816,090	21,139
Charges for current services	3,737,454	3,827,454	3,836,537	9,083
Miscellaneous	210,000	210,000	100,270	(109,730)
Total Revenues	17,789,195	17,981,181	18,255,150	273,969
EXPENDITURES:				
Current:				
General government	4,353,452	4,200,193	3,967,090	233,103
Public safety	9,574,837	9,624,046	9,628,495	(4,449)
Culture and recreation	1,589,890	1,589,890	1,573,553	16,337
Total Expenditures	15,518,179	15,414,129	15,169,138	244,991
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,271,016	2,567,052	3,086,012	518,960
OTHER FINANCING SOURCES USES				
Transfers in		8,485	135,315	126,830
Transfers out	(1,583,142)	(1,583,142)	(1,217,897)	365,245
NET CHANGE IN FUND BALANCE	\$687,874	\$992,395	2,003,430	\$1,011,035
BEGINNING FUND BALANCE			6,200,469	
ENDING FUND BALANCE			\$8,203,899	

See accompanying notes to financial statements

CITY OF BELMONT
 BELMONT FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES:				
Taxes	\$7,695,201	\$7,695,201	\$7,913,193	\$217,992
Use of money and property	2,778	2,778	1,555	(1,223)
Intergovernmental	783,946	932,449	849,002	(83,447)
Total Revenues	<u>8,481,925</u>	<u>8,630,428</u>	<u>8,763,750</u>	<u>133,322</u>
EXPENDITURES:				
Current:				
Public safety	8,381,884	8,687,202	8,717,932	(30,730)
Capital Outlay	363,452	363,452	169,450	194,002
Debt Service:				
Principal	97,907	97,907	97,907	
Interest and fiscal charges	32,893	32,893	32,893	
Total Expenditures	<u>8,876,136</u>	<u>9,181,454</u>	<u>9,018,182</u>	<u>163,272</u>
NET CHANGE IN FUND BALANCE	<u>(\$394,211)</u>	<u>(\$551,026)</u>	(254,432)	<u>\$296,594</u>
BEGINNING FUND BALANCE			<u>4,421,376</u>	
ENDING FUND BALANCE			<u>\$4,166,944</u>	

See accompanying notes to financial statements

CITY OF BELMONT
 AFFORDABLE HOUSING SUCCESSOR SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Use of money and property	<u>\$119,198</u>	<u>\$119,198</u>	<u>\$109,265</u>	<u>(\$9,933)</u>
Total Revenues	<u>119,198</u>	<u>119,198</u>	<u>109,265</u>	<u>(9,933)</u>
EXPENDITURES				
Urban redevelopment	<u>136,681</u>	<u>144,215</u>	<u>127,913</u>	<u>16,302</u>
Total Expenditures	<u>136,681</u>	<u>144,215</u>	<u>127,913</u>	<u>16,302</u>
NET CHANGE IN FUND BALANCE	<u>(\$17,483)</u>	<u>(\$25,017)</u>	<u>(18,648)</u>	<u>\$6,369</u>
BEGINNING FUND BALANCE			<u>4,020,238</u>	
ENDING FUND BALANCE			<u>\$4,001,590</u>	

See accompanying notes to financial statements

PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City has identified the funds below as major proprietary funds in fiscal 2014.

SEWER FUND

To account for sanitary sewer services provided to the citizens of Belmont. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, treatment, maintenance, capital improvement, and billing and collection.

STORM DRAINAGE FUND

To account for the maintenance of the storm drain system, street cleaning and other activities related to the mandated National Pollution Discharge Elimination System (NPDES). Funding comes from customers connected to the City's sewer system, due to extensive infiltration and intrusion to the City's sewer system, and NPDES charges.

NON-MAJOR FUND:

SOLID WASTE FUND

To account for operating costs associated with street sweeping and administering the solid waste franchise.

CITY OF BELMONT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2014

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Sewer	Storm Drainage	Nonmajor- Solid Waste	Totals	
ASSETS					
Current Assets:					
Cash and investments (Note 3)	\$4,273,552	\$82,066	\$818,280	\$5,173,898	\$2,728,458
Cash and investments with fiscal agent (Note 3)	1,913,372			1,913,372	
Accounts receivable	152,071	5,509		157,580	7,771
Prepays and other assets					12,051
Due from other governmental agencies		5,808	74,100	79,908	
Total Current Assets	6,338,995	93,383	892,380	7,324,758	2,748,280
Noncurrent Assets:					
Investment in SVCW joint venture (Note 13)	20,433,823			20,433,823	
Capital assets (Note 7):					
Land and construction in progress	14,792			14,792	
Depreciable assets, net	10,512,856	4,055,006		14,567,862	639,235
Total Noncurrent Assets	30,961,471	4,055,006		35,016,477	639,235
Total Assets	37,300,466	4,148,389	892,380	42,341,235	3,387,515
LIABILITIES					
Current Liabilities:					
Accounts payable, and other liabilities / contracts payable	444,680	22,230	870	467,780	393,761
Claims payable (Note 12)			75,000	75,000	332,894
Long-term debt (Note 8)	550,000			550,000	
Compensated absences (Note 1H)	47,380	24,211	7,999	79,590	
Total Current Liabilities	1,042,060	46,441	83,869	1,172,370	726,655
Noncurrent Liabilities:					
Claims payable (Note 12)			175,000	175,000	239,182
Compensated absences (Note 1H)	91,690	46,942	11,390	150,022	113,698
Long-term debt (Note 8)	19,660,000			19,660,000	
Total Noncurrent Liabilities	19,751,690	46,942	186,390	19,985,022	352,880
Total Liabilities	20,793,750	93,383	270,259	21,157,392	1,079,535
NET POSITION (Note 9)					
Net investment in capital assets	2,392,037	4,055,006		6,447,043	639,235
Restricted for treatment facility charges	3,108,838			3,108,838	
Unrestricted	11,005,841		622,121	11,627,962	1,668,745
Total Net Position	\$16,506,716	\$4,055,006	\$622,121	\$21,183,843	\$2,307,980

See accompanying notes to financial statements

CITY OF BELMONT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Sewer	Storm Drainage	Nonmajor- Solid Waste	Totals	
OPERATING REVENUES					
Charges for current services					
Sewer service charges	\$11,163,535			\$11,163,535	
Sewer connection fees	15,911			15,911	
NPDES storm drain charges		\$488,634		488,634	
Street sweeping			\$407,885	407,885	
Garbage franchise fee			459,825	459,825	
Interdepartmental charges	111,175	31,485		142,660	\$4,595,812
Total Operating Revenues	11,290,621	520,119	867,710	12,678,450	4,595,812
OPERATING EXPENSES					
Personnel services	1,137,123	672,628	341,044	2,150,795	
Services and supplies	3,614,771	326,049	185,314	4,126,134	
Sewer treatment	204,549			204,549	
Insurance premiums					957,108
Professional and legal					817,289
Operating costs					2,573,138
Other post employment benefits					1,071,290
Insurance claims, net of change in claims payable					280,418
Depreciation	484,545	238,234		722,779	301,696
Total Operating Expenses	5,440,988	1,236,911	526,358	7,204,257	6,000,939
Operating Income (Loss)	5,849,633	(716,792)	341,352	5,474,193	(1,405,127)
NONOPERATING REVENUES (EXPENSES)					
Gain from the sale of capital assets					9,275
Interest	14,813	30	283	15,126	446,546
Interest expense	(890,582)			(890,582)	
Loss from investment in SVCW - Joint Venture	(326,150)			(326,150)	
Intergovernmental and miscellaneous	500		66,391	66,891	3,372
Total Nonoperating Revenues (Expenses)	(1,201,419)	30	66,674	(1,134,715)	459,193
Income (Loss) Before Transfers	4,648,214	(716,762)	408,026	4,339,478	(945,934)
Transfers in (Note 4A)		547,775		547,775	324,501
Transfers (out) (Note 4A)	(547,775)			(547,775)	
Net transfers	(547,775)	547,775			324,501
Change in net position	4,100,439	(168,987)	408,026	4,339,478	(621,433)
BEGINNING NET POSITION	12,406,277	4,223,993	214,095	16,844,365	2,929,413
ENDING NET POSITION	\$16,506,716	\$4,055,006	\$622,121	\$21,183,843	\$2,307,980

See accompanying notes to financial statements

CITY OF BELMONT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Sewer	Storm Drainage	Nonmajor- Solid Waste	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$11,144,340	\$526,331	\$861,168	\$12,531,839	
Interdepartmental charges					\$4,720,546
Payments to suppliers	(3,757,942)	(321,875)	(193,547)	(4,273,364)	(2,757,639)
Payments to employees	(1,119,863)	(664,129)	(334,290)	(2,118,282)	(2,480,999)
Claims paid			(150,000)	(150,000)	(73,513)
Cash Flows from Operating Activities	6,266,535	(459,673)	183,331	5,990,193	(591,605)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental			66,391	66,391	
Interfund receipts		547,775		547,775	1,874,898
Interfund payments	(547,775)			(547,775)	
Cash Flows from Noncapital Financing Activities	(547,775)	547,775	66,391	66,391	1,874,898
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(674,195)	(69,247)		(743,442)	(484,360)
Proceeds from sale of capital assets					9,275
Principal payments on capital debt	(530,000)			(530,000)	
Interest paid	(899,054)			(899,054)	
Cash Flows from Capital and Related Financing Activities	(2,103,249)	(69,247)		(2,172,496)	(475,085)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment in SVCW	(8,093,680)			(8,093,680)	
Interest	14,813	30	283	15,126	446,546
Cash Flows from Investing Activities	(8,078,867)	30	283	(8,078,554)	446,546
Net Cash Flows	(4,463,356)	18,885	250,005	(4,194,466)	1,254,754
Cash and investments at beginning of period	10,650,280	63,181	568,275	11,281,736	1,473,704
Cash and investments at end of period	\$6,186,924	\$82,066	\$818,280	\$7,087,270	\$2,728,458
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:					
Operating income (loss)	\$5,849,633	(\$716,792)	\$341,352	\$5,474,193	(\$1,405,127)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:					
Depreciation and miscellaneous	485,045	238,234		723,279	301,696
Miscellaneous					3,372
Change in assets and liabilities:					
Receivables, net	(146,281)	6,212	(6,542)	(146,611)	26,664
Accounts payable	60,878	4,174	(8,233)	56,819	231,181
Claims payable			(150,000)	(150,000)	206,279
Compensated absences	17,260	8,499	6,754	32,513	44,330
Cash Flows from Operating Activities	\$6,266,535	(\$459,673)	\$183,331	\$5,990,193	(\$591,605)

See accompanying notes to financial statements

FIDUCIARY FUNDS

RDA Obligation Retirement Trust Fund (Successor Agency) accounts for the activities related to the wind-down of the former Redevelopment Agency

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Entity – wide financial statements, but are presented in separate Fiduciary Fund financial statement.

CITY OF BELMONT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014

	RDA Obligation Retirement Trust Fund	Agency Funds
ASSETS		
Cash and investments (Note 3)	\$5,287,540	\$705,724
Cash and investments with fiscal agent (Note 3)	1,992,168	
Capital Assets (Note 15)		
Depreciable, net	<u>1,944,304</u>	
Total Assets	<u><u>\$9,224,012</u></u>	<u><u>\$705,724</u></u>
LIABILITIES		
Accounts payable		\$39,414
Interest payable	\$373,403	
Section 125 employee benefits payable		18,530
Due to other governments		347,645
Due to bondholders		300,135
Long-term debt (Note 15):		
Due within one year	1,240,000	
Due more than one year	<u>14,365,000</u>	
Total Liabilities	<u><u>15,978,403</u></u>	<u><u>\$705,724</u></u>
NET POSITION (DEFICIT):		
Held in trust for private purpose	<u><u>(\$6,754,391)</u></u>	

See accompanying notes to financial statements

CITY OF BELMONT
PRIVATE PURPOSE TRUST FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

	RDA Obligation Retirement Trust Fund
Additions:	
Property Taxes	\$2,589,571
Use of Money and Property	<u>13,918</u>
Total Additions	<u>2,603,489</u>
Deductions:	
Urban redevelopment	437,878
Depreciation	98,826
Interest expense	<u>901,770</u>
Total Deductions	<u>1,438,474</u>
Change in net position	1,165,015
Beginning Net Position	<u>(7,919,406)</u>
Ending Net Position (Deficit)	<u><u>(\$6,754,391)</u></u>

See accompanying notes to financial statements

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CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Belmont was incorporated as a general law city in 1926. The City operates under the Council-Manager form of government and is governed by a five member council elected by the City's voters. The City provides the following services: public safety (police and fire), highways and streets, sewer, storm drainage, solid waste, recreation, public improvements, planning and zoning, building inspections, general administration services, and redevelopment.

The financial statements and accounting policies of the City conform with generally accepted accounting principles applicable to governments in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

A. *Reporting Entity*

The financial statements of the City of Belmont include the financial activities of the City, the Belmont Fire Protection District and the Belmont Joint Powers Financing Authority. All of these entities are controlled by and dependent on the City and their financial activities have been aggregated and merged (termed "blended") with those of the City in the accompanying financial statements.

The **Belmont Fire Protection District** is a special district created under the general laws of California to provide fire protection services to City residents. The District is controlled by the City and has the same governing board as the City, which also performs all accounting and administrative functions for the District. The financial activities of the District have been included in these financial statements in the Belmont Fire Protection District Special Revenue Fund and the BFPD Benefit Stabilization Internal Service Fund.

The **Belmont Joint Powers Financing Authority** is a separate government entity whose purpose is to assist with the financing certain public capital facilities for the City through the issuance of bonds or other forms of debt. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority.

B. *Basis of Presentation*

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

These Statements require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's proprietary funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—*governmental*, *proprietary*, and *fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds

The City's major governmental and business-type funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund - The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as police protection, parks operations and maintenance, and legal and administrative services.

Belmont Fire Protection District Special Revenue Fund - To account for property taxes received and expended by the District on providing fire protection services to the City of Belmont and the unincorporated Harbor Industrial Area.

Affordable Housing Successor Agency Special Revenue Fund - To account for Housing functions of the former Redevelopment Agency that have been retained by the City. The revenue sources are primarily from rental activities.

The City reported all the following enterprise funds as major funds in the accompanying financial statements:

Sewer Fund - To account for sanitary sewer services provided to the citizens of Belmont. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, treatment, maintenance, capital improvement, and billing and collection.

Storm Drainage Fund - To account for the maintenance of the storm drain system, street cleaning and other activities related to the mandated National Pollution Discharge Elimination System (NPDES). Funding comes from customers connected to the City's sewer system, due to extensive infiltration and intrusion to the City's sewer system, and NPDES charges.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City also reports the following fund types:

Internal Services Fund - The funds account for worker's compensation, general liability, vision, benefit stabilization, fleet and equipment management, and facilities management; all of which are provided to other departments on a cost-reimbursement basis.

Fiduciary Funds

Trust Funds and Agency Funds are used to account for assets held by the City as an agent or trustee for individuals, private organizations, and other governments. The City has three agency funds: a Section 125 Plan fund, a fund reporting cash and investments for the Library Community Facilities District and the Net Six Joint Power Authority. The RDA Obligation Retirement Private-purpose Trust Fund accounts for the financial activities assumed by the Successor Agency from the former Redevelopment Agency. The financial activities of these funds are excluded from the Government-wide financial statement, but are presented in separate Fiduciary Fund financial statements.

D. Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are property, sales and use, transient occupancy, franchise and gas taxes, intergovernmental revenues, grants, parking fines and interest revenue. Other fines, licenses and permits, and charges for services are not susceptible to accrual because they are not measurable until collected.

Non-exchange transactions, in which the City gives or receives value without directly, receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Certain indirect costs are included in program expenses reported for individual functions and activities.

E. *Revenue Recognition for Enterprise Funds*

Sewer and Storm Drain user fee revenues are placed on the county tax rolls. The County bills customers annually and requires payment prior to year end. Solid waste revenue is remitted by Recology San Mateo County as part of garbage services. At year end there were no material uncollected sewer, storm drain, or solid waste user fees.

F. *Property Tax*

San Mateo County assesses properties, and it bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest, and penalties. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year.

Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1 and becomes delinquent on August 31. Collection of delinquent accounts is the responsibility of the County, which retains all penalties.

The term "unsecured" refers to taxes on personal property other than real estate, land, and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed provided they become available as defined above, generally within sixty days.

G. *Capital Assets*

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed.

The City has recorded all its public domain (infrastructure) capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems.

Capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets:

Building and Building Improvements	40 years
Improvements Other than Buildings	25-75 years
Streets and Infrastructure	25-100 years
Machinery and Equipment	5-10 years
Vehicles	5-10 years

Non-infrastructure and infrastructure assets with historical costs exceeding \$5,000 and \$25,000 respectively are capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

H. Compensated Absences

Compensated absences comprise unpaid vacation and the vested portion of sick leave, which are accrued as earned. Employee bargaining unit agreements specify the vested portion of unused sick leave, which accumulates and is paid at time of termination of City employment. The City's liability for compensated absences is recorded in various Governmental funds and Proprietary funds as appropriate. The liability for compensated absences is determined annually. For all governmental funds, amounts expected to be paid due to terminations are recorded as fund liabilities; the long term portion is recorded in the Statement of Net Position.

The changes of the compensated absences were as follows:

	Governmental Activities	Business Type Activities			Total
		Sewer	Storm Drainage	Solid Waste	
Summary of Activity:					
Beginning Balance	\$2,341,015	\$121,810	\$62,654	\$12,635	\$2,538,114
Additions	1,433,172	64,586	32,655	14,753	1,545,166
Payments	(929,604)	(47,326)	(24,156)	(7,999)	(1,009,085)
Ending Balance	<u>\$2,844,583</u>	<u>\$139,070</u>	<u>\$71,153</u>	<u>\$19,389</u>	<u>\$3,074,195</u>
Financial Statement					
Presentation:					
Due within One Year	\$994,980	\$47,380	\$24,211	\$7,999	\$1,074,570
Due in More than One Year	1,849,603	91,690	46,942	11,390	1,999,625
Total Ending Balance	<u>\$2,844,583</u>	<u>\$139,070</u>	<u>\$71,153</u>	<u>\$19,389</u>	<u>\$3,074,195</u>

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. *Estimates and Assumptions*

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

J. *Closed Funds*

The City closed the Traffic Mitigation Special Revenue Fund and the Highway 101 Bike Pedestrian Bridge Capital Projects Fund in fiscal year 2014.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

The City Manager submits to the City Council a proposed annual operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them and is subjected to public hearings where comments are obtained for consideration. The Council adopts the budget through passage of a budget resolution at which time the proposed expenditures become appropriations. The budget is effective the following July 1 and may be amended by subsequent resolutions. The City Manager is authorized to transfer appropriations between any departments; however, any revisions, which increase the total appropriations of any fund, must be approved by the Council. Transfers not included in the original budget must be approved by the Finance Director. Where not contractually committed, expenditures may not exceed appropriations at the fund level. Unencumbered appropriations lapse at year end. Supplemental appropriations adopted by the Council are included in the budget versus actual statements.

Formal budgetary integration is employed as a management control device. Encumbrance accounting is employed as an extension of formal budgetary integration in all funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (Continued)

Encumbrances outstanding at year end do not constitute expenditures or liabilities and are reappropriated in the following year budget. Budget amounts include appropriations, which are formally integrated into the City's accounting records for all funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all funds. Encumbrances outstanding by fund as of June 30, 2014 were as follows:

Major Governmental Funds:	
General Fund	\$63,828
Affordable Housing Successor Agency Special Revenue Fund	3,460
Non-Major Governmental Funds	<u>767,598</u>
Total Encumbrances	<u><u>\$834,886</u></u>

Expenditures exceeded budget for the following funds:

Fund	Expenditures in Excess of Appropriations
Supplemental Law Enforcement Services	
Special Revenue Fund	\$405
Public Safety Special Revenue Fund	67
Comcast Capital Projects Fund	330
Open Space Capital Projects Fund	73,740

Sufficient current year revenues or fund balances were available to offset these expenditures.

NOTE 3 – CASH AND INVESTMENTS

The City pools cash from all sources and all funds except Cash and Investments held by Trustees so that it can be invested at the maximum yield consistent with safety and liquidity, while individual funds can make expenditures at any time.

A. Policies

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the City's name and places the City ahead of general creditors of the institution.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 3 – CASH AND INVESTMENTS (Continued)

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable securities instruments, or by an electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. In order to increase security, the City employs the Trust Department of a bank as the custodian of certain City managed investments, regardless of their form.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Agency agreements.

Cash and investments as of June 30, 2014 consist of the following:

Statement of Net Assets	
Cash and investments	\$24,937,262
Cash and investments with fiscal agent	1,913,372
Fiduciary Funds	
Cash and investments	5,993,264
Cash and investments with fiscal agent	1,992,168
Total Cash and Investments	<u>\$34,836,066</u>

Cash and Investments Available for Operations is used in preparing proprietary fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

As of June 30, 2014, the City holds \$1,114,245 in unexpended proceeds from the Sewer Revenue Bonds, Series 2006, which were included in Cash and Investments recorded in the Sewer Enterprise Fund. These restricted funds are to be spent on project costs as defined in the underlying indenture.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 3 – CASH AND INVESTMENTS (Continued)

C. Investments Authorized by the California Government Code and the City's Investment Policy

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the City's Investment Policy where the City's Investment Policy is more restrictive.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum % of Portfolio	Maximum Investment In One Issuer
Local Agency Municipal Bonds	5 years	N/A	None	None
U.S. Treasury Obligations	5 years	N/A	None	None
State of California Obligations	5 years	N/A	None	None
CA Local Agency Obligations	5 years	N/A	None	None
U.S. Agency Securities (A)	5 years	N/A	None	None
Bankers Acceptances	180 days	N/A	40%	30%
Commercial Paper	270 days	A1 / P1	25%	10%
Negotiable Certificates of Deposit	5 years	N/A	30%	None
Repurchase Agreements	1 year	N/A	None	None
Reverse Repurchase Agreements (requires City Council approval)	92 days	N/A	20 % of base value	None
Medium Term Corporate Notes	5 years	A	30%	None
Mutual Funds	N/A	Top rating category	20%	10%
Money Market Mutual Funds	N/A	Top rating category	20%	10%
Collateralized Bank Deposits	N/A	N/A	None	None
Mortgage Pass-Through Securities	5 Years	AA	20%	None
County Pooled Investment	N/A	N/A	None	None
California Local Agency Investment Fund	N/A	N/A	None	None

(A) Securities issued by agencies of the federal government such as the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation (FHLMC)

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 3 - CASH AND INVESTMENTS (Continued)

D. Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. These bond indentures did not disclose limitations for maximum percentage of portfolio and investment in one issuer. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
Local Agency Municipal Bonds	N/A	Two highest rating category
U.S. Treasury Obligations	N/A	N/A
State of California Obligations	N/A	A2/A
CA Local Agency Obligations	N/A	N/A
U.S. Agency Securities (A)	N/A	N/A
Bankers Acceptances	1 year	A1
Commercial Paper	270 days	A1
Short-Term Certificates of Deposit	1 year	A-1
Repurchase Agreements	30 days	A
Money Market Mutual Funds	N/A	AA-M
Collateralized Bank Deposits	N/A	N/A
California Local Agency Investment Fund	N/A	N/A
Unsecured CD's, deposit accounts, time deposits, bankers acceptances	30 days	A-1
Special Revenue Bonds	N/A	AA
Prefunded Municipal Obligations	N/A	AAA
FDIC Insured deposit	N/A	N/A
Investment Agreements	N/A	N/A
Pre Refunded Municipal Obligations	N/A	Two highest rating category

(A) Securities issued by agencies of the federal government such as the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), Export-Import Bank, Farm Credit System Financial Assistance Corporation, Farmers Home Administration, General Services Administration, United States Maritime Administration, Small Business Administration, Government National Mortgage Association (GNMA), United States Department of Housing & Urban Development (PHA's), the Federal Home Loan Mortgage Corporation (FHLMC) and Federal Housing Administration debentures.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 3 - CASH AND INVESTMENTS (Continued)

E. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of the City's investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

Investment Type	12 Months or less	13 to 24 Months	Total
California Local Agency Investment Fund	\$30,825,898		\$30,825,898
<i>Held by Trustees:</i>			
Money Market Mutual Fund	52,240		52,240
US Treasury Notes	1,953,816	\$1,899,486	3,853,302
Total Investments	<u>\$32,831,954</u>	<u>\$1,899,486</u>	34,731,440
Cash in banks and on hand			104,626
Total Cash and investments			<u>\$34,836,066</u>

F. Local Agency Investment Fund

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2014 these investments matured in an average of 232 days.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 3 - CASH AND INVESTMENTS (Continued)

G. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual ratings as of June 30, 2014 are provided by Standard and Poor's except as noted.

Investment Type	AAAm	Total Investment
Money Market Mutual Funds	<u>\$52,240</u>	\$52,240
<i>Not rated:</i>		
California Local Agency Investment Fund		30,825,898
Cash in banks and on hand		104,626
<i>Exempt from rating requirement:</i>		
U.S. Treasury Notes		<u>3,853,302</u>
Total Cash and Investments		<u>\$34,836,066</u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 4 - INTERFUND TRANSACTIONS

A. Transfers Between Funds

The purpose of the majority of transfers is to reimburse a fund, which has made an expenditure on behalf of another fund. Less often, a transfer may be made to open or close a fund.

Transfers between funds during the fiscal year ended June 30, 2014 were as follows:

Fund Receiving Transfer	Fund Making Transfer	Amount Transferred
General Fund	Public Safety Special Revenue Fund	\$135,315
Special Revenue Funds		
Co-Sponsored Recreation	General Fund	392,483
Development Services	General Fund	203,852
Supplemental Law Enforcement Services	General Fund	19,061
Street Maintenance State Gasoline Tax	Street Improvements Measure A Grants Special Revenue Fund	280,763
Street Improvements Measure A Grants	General Fund	170,000
Athletic Field Maintenance	General Fund	30,000
Capital Project Fund		
General Facilities	General Fund	225,500
Bike Bridge	Street Improvements Measure A Grants Special Revenue Fund	1,826
Enterprise Fund		
Storm Drainage Enterprise Fund	Sewer Enterprise Fund	547,775
Internal Service Funds		
Self-Funded Vision	General Fund	2,711
Fleet and Equipment Management	Development Services Special Revenue Fund	147,500
Facilities Management	General Fund	174,290
		<u>\$2,331,076</u>

The purpose of the significant transfers that were not routine in nature or consistent with activities of the fund making the transfers is set forth below:

- (a) Transfer to fund upcoming capital projects
- (b) Transfer to repay loan

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

B. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. As of June 30, 2014, the General Fund was owed \$24,360 by the Supplemental Law Enforcement Services Special Revenue Fund and \$73,200 by the Street Maintenance State Gasoline Tax Special Revenue Fund.

C. Interfund Advance

During the fiscal year ending June 30, 2011, the Fleet and Equipment Management Internal Service Fund loaned \$1,404,518 to the Open Space Capital Projects Fund to finance the purchase of land parcels in the San Juan Canyon. Pursuant to Council Resolution, the loan may not exceed \$2 million, was due February 26, 2014, and bore interest at the interest rate earned on the City's investments in the California Local Agency Investment Fund (LAIF) and is to be re-set quarterly. The Open Space Capital Projects Fund repaid the Fleet and Equipment Management Internal Service Fund the outstanding balance of this advance, \$1,512,100, in October 2013.

NOTE 5 - NOTES RECEIVABLE

These notes are summarized below:

Project	Amount
Mid-Peninsula Horizons, Inc.	\$228,148
Owner Occupied Rehabilitation Assistance Program	13,479
Home Buyer Assistance Program	<u>708,730</u>
Total notes receivable	<u><u>\$950,357</u></u>

The former Belmont Redevelopment Agency (Agency) entered into the loan programs below to improve the quality of housing and to increase the availability of affordable housing. With the dissolution of the former Redevelopment Agency, the City became the successor to the former Agency's housing activities and as a result assumed the loans receivable as of February 1, 2012.

On September 30, 1992 the former Agency made a loan to **Mid-Peninsula Horizons, Inc.**, a nonprofit corporation, to assist in financing an affordable housing project. The Agency loan is secured by a second deed of trust. The loan bears interest at one percent per annum and is due along with interest in 2039 or the date the project is no longer subject to a related regulatory agreement with HUD, whichever is later.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 5 - NOTES RECEIVABLE (Continued)

In January 1999, the former Agency began funding loans under the **Owner Occupied Rehabilitation Assistance Program**. Proceeds of the loans are used to correct structural, health and safety deficiencies, and for cosmetic improvements for homeowners with very low, low, or moderate incomes. Loans are secured by deeds of trust and bear no interest.

In fiscal year 1998-99, the former Agency began providing financial assistance for first time home buyers through the **Home Buyer Assistance Program**. Loans provide down payment assistance to qualified home buyers in Belmont. Loans are long-term low interest loans for down payments on the purchase of single-family residences, town homes, or condominiums. Loans are secured by a deed of trust.

NOTE 6 - LAND HELD FOR RESALE

The City purchased parcels of land as part of efforts to develop or redevelop properties. Land held for resale is carried in the financial statements at the lower of cost or estimated net realizable value.

With the dissolution of the Redevelopment Agency in fiscal year 2012, the City elected to assume housing activities as the Housing Successor, and the land held for resale was transferred to the Affordable Housing Successor Special Revenue Fund on February 1, 2012.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 7 – CAPITAL ASSETS

A. Capital Asset Additions and Retirements

Capital assets at June 30 comprise:

	Balance June 30, 2013	Additions	Retirements	Transfers	Balance June 30, 2014
Governmental Activities					
Capital assets not being depreciated:					
Land	\$12,923,378		(\$313,475)		\$12,609,903
Construction in progress	99,803	\$70,225		(\$2,200)	167,828
Total capital assets not being depreciated	<u>13,023,181</u>	<u>70,225</u>	<u>(313,475)</u>	<u>(2,200)</u>	<u>12,777,731</u>
Capital assets being depreciated:					
Buildings and building improvements	38,571,828	113,945		2,200	38,687,973
Improvements other than buildings	711,859	119,911			831,770
Streets and infrastructure	41,592,399	928,430			42,520,829
Machinery and equipment	4,626,806	348,249			4,975,055
Vehicles	4,584,627	148,065	(71,820)		4,660,872
Total capital assets being depreciated	<u>90,087,519</u>	<u>1,658,600</u>	<u>(71,820)</u>	<u>2,200</u>	<u>91,676,499</u>
Less accumulated depreciation for:					
Buildings and building improvements	10,929,847	922,238			11,852,085
Improvements other than buildings	182,129	29,722			211,851
Streets and infrastructure	16,253,770	1,409,596			17,663,366
Machinery and equipment	4,456,393	155,074			4,611,467
Vehicles	3,117,273	306,738	(71,820)		3,352,191
Total accumulated depreciation	<u>34,939,412</u>	<u>2,823,368</u>	<u>(71,820)</u>		<u>37,690,960</u>
Total depreciable assets	<u>55,148,107</u>	<u>(1,164,768)</u>		<u>2,200</u>	<u>53,985,539</u>
Governmental activity capital assets, net	<u>\$68,171,288</u>	<u>(\$1,094,543)</u>	<u>(\$313,475)</u>		<u>\$66,763,270</u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 7 – CAPITAL ASSETS (Continued)

	Balance June 30, 2013	Additions	Transfers	Balance June 30, 2014
Business-type activities				
Capital assets not being depreciated:				
Land	\$14,792			\$14,792
Construction in progress	202,403		(\$202,403)	
Total capital assets not being depreciated	217,195		(202,403)	14,792
Capital assets being depreciated:				
Improvements other than buildings	25,085,455	\$729,955	202,403	26,017,813
Machinery and equipment	197,795	13,487		211,282
Total capital assets being depreciated	25,283,250	743,442	202,403	26,229,095
Less accumulated depreciation				
Improvements other than buildings	10,740,659	722,779		11,463,438
Machinery and equipment	197,795			197,795
Total accumulated depreciation	10,938,454	722,779		11,661,233
Total depreciable assets	14,344,796	20,663	202,403	14,567,862
Business-type activity capital assets, net	\$14,561,991	\$20,663		\$14,582,654

B. Capital Asset Contributions

Some capital assets may be acquired using federal and State grant funds, or they may be contributed by developers or other governments. These contributions require to be accounted for as revenues at the time the capital assets are contributed.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 7 – CAPITAL ASSETS (Continued)

C. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program are as follows:

Governmental Activities	
General Government	\$859,979
Public Safety	252,097
Highways and Streets	1,215,503
Culture and Recreation	194,093
Depreciation Charges to Internal Service Funds	<u>301,696</u>
Total Governmental Activities	<u><u>\$2,823,368</u></u>
Business-Type Activities	
Sewer	\$484,545
Storm Drainage	<u>238,234</u>
Total Business-Type Activities	<u><u>\$722,779</u></u>

NOTE 8 – LONG TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt.

This debt will be repaid only out of governmental funds but is not accounted for in these funds because this debt does not require an appropriation or expenditure in this accounting period.

Proprietary Fund (Enterprise) long-term debt is accounted for in the proprietary funds, which will repay the debt because these funds are accounted for on the full-accrual basis in a similar manner to commercial operations.

The City's debt issues and transactions are summarized below and discussed in detail thereafter.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 8 – LONG TERM DEBT (Continued)

A. Current Year Transactions and Balances

	Balance June 30, 2013	Retirements	Balance as of June 30, 2014	
			Due Within One Year	Due Beyond One Year
GOVERNMENTAL ACTIVITY DEBT				
Capital Lease				
2011 Lease Purchase Financing - Fire Truck				
4.75%, due 10/15/2021	\$445,372	\$46,965	\$49,222	\$349,185
2008 Seagrave Marauder II Fire Truck				
4.16%, due 2019	308,018	50,942	53,084	203,992
Total Governmental Activity Debt	753,390	97,907	102,306	553,177
BUSINESS-TYPE ACTIVITY DEBT				
2001 Sewer Revenue Bonds				
4.375%-5.00%, due serially to 2032	5,820,000	195,000	205,000	5,420,000
2006 Sewer Revenue Bonds				
4.00%-4.375%, due serially to 2036	6,575,000	175,000	180,000	6,220,000
2009A Sewer Treatment Facility Revenue Bonds				
3.00%-5.00%, due serially to 2042	8,345,000	160,000	165,000	8,020,000
Total Business-Type Activity Debt	20,740,000	530,000	550,000	19,660,000
Total Long-Term Obligations	\$21,493,390	\$627,907	\$652,306	\$20,213,177

B. Summary of Debt Issues

On December 5, 2001 the Authority issued \$7,500,000 principal amount of **Sewer Revenue Bonds, Series 2001**. Proceeds will be used to rehabilitate and improve the City's sanitary sewer system. Interest is due semiannually on February 1 and August 1 and principal is due annually on August 1 and is repayable from sewer service charges net of operating and maintenance expenses.

On February 15, 2006 the Authority issued \$7,500,000 principal amount of **Sewer Revenue Bonds, Series 2006**. Proceeds will be used to expand and improve the City's sanitary sewer system. Interest is due semiannually on February 1 and August 1 and principal is due annually on August 1 and is repayable from sewer service charges net of operating and maintenance expenses.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 8 – LONG TERM DEBT (Continued)

The pledge of future Sewer Fund Revenues ends upon repayment of \$18,393,796 in remaining debt service on the 2001 and 2006 Sewer Bonds which is scheduled to occur in 2036. For fiscal year 2014, Sewer Fund Revenues, excluding sewer treatment facility revenue, including operating revenues and non-operating interest earnings amounted to \$8,196,596 and operating costs including operating expenses, but not interest, depreciation or amortizations and amounted to \$4,956,443. Net Revenues available for debt service amounted to \$3,240,153 which represented coverage of 351% over the \$923,972 in debt service.

On December 30, 2009 the Authority issued \$8,500,000 principal amount of **Sewer Treatment Facility Revenue Bonds, Series 2009A**. Proceeds will be used to finance certain improvements to the Silicon Valley Clean Water's sewer treatment facility. Interest is due semiannually on February 1 and August 1 and principal is due annually on August 1 and is payable solely from Sewer Treatment Facility Revenues.

The pledge of future Sewer Treatment Facility charges ends upon repayment of \$14,382,014 in remaining debt service on the Bonds which is scheduled to occur in 2042. For fiscal year 2014, Sewer Facility Revenues amounted to \$3,108,838 and operating costs including operating expenses, but not interest, depreciation or amortizations and amounted to \$204,549. Net Revenue available for debt service amounted to \$2,904,289 which represented coverage of 575% over the \$505,082 in debt service.

C. Debt Service Requirements

Annual debt service requirements are shown below for all long-term debt with specified repayment terms:

For the Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2015	\$102,306	\$28,495	\$550,000	\$878,202
2016	106,903	23,898	570,000	856,402
2017	111,708	19,092	590,000	833,637
2018	116,729	14,072	615,000	809,676
2019	90,359	8,823	635,000	784,652
2020 - 2024	127,478	7,658	3,610,000	3,502,675
2025 - 2029			4,515,000	2,624,570
2030 - 2034			4,725,000	1,514,449
2035 - 2039			2,900,000	649,016
2040 - 2042			1,500,000	112,531
Total	<u>\$655,483</u>	<u>\$102,038</u>	<u>\$20,210,000</u>	<u>\$12,565,810</u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 8 – LONG TERM DEBT (Continued)

D. 2011 Lease Purchase Financing – Fire Truck

On February 22, 2011, the District acquired the Ladder Truck for \$1,188,438 and financed the purchase with \$655,500 in federal awards and \$532,938 in proceeds from a ten year lease the District signed with a third party. Semiannual principal and interest payments are due until April 15, 2021.

E. 2008 Seagrave Fire truck

During fiscal 2012, due to the dissolution of Belmont-San Carlos Fire Department, the Belmont Fire Protection District assumed the remaining obligation of the lease.

F. Special Assessment Debt with no City Commitment

On February 4, 2004, the Community Facilities District No. 2000-1 issued Special Tax Bonds, Series 2004A for \$8,650,000 to finance the construction, operations and maintenance of a new library. The City has no legal or moral liability with respect to the payment of this debt, which is secured by proceeds of an annual special tax levy received by the District. Therefore, this debt is not included in Governmental Activities long-term debt of the City. As of June 30, 2014, the outstanding balance was \$6,855,000.

Pursuant to the terms of the underlying indenture for the Special Tax Bonds, the Trustee holds a Surety Bond issued by AMBAC Assurance Corporation as a debt service reserve for the Bonds. During fiscal 2010-11, AMBAC declared bankruptcy. As of the date of this report, the Trustee had not requested and the District had not obtained a replacement surety bond.

G. Authorized but Unissued Debt

Pursuant to Resolution #2011-1, passed on February 8, 2011, Council authorized the City to issue Belmont Joint Powers Financing Authority Sewer Treatment Facility Revenue Bonds, Series 2011B in an aggregate principal amount not to exceed \$10,500,000. As of June 30, 2014 these bonds had not been issued.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 9 – NET POSITION AND FUND BALANCES

Net Position is measured on the full accrual basis while Fund Balance is measured on the modified accrual basis.

A. Net Position

Net Position is the excess of all the City's assets and deferred outflows, if any, over all its liabilities and deferred inflows, if any, regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only at the Government-wide level, and are described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate income purposes.

Unrestricted describes the portion of Net Position which is not restricted to use.

B. Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

Nonspendables represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for resale are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by resolution of the City Council which may be altered only by resolution of the City Council. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; Nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed. Through a Council Resolution, the City council has designated the City Manager to determine the amount of assigned fund balances.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City's fund balances, as of June 30, 2014, are below:

<u>Fund Balance Classifications</u>	<u>General Fund</u>	<u>Belmont Fire Protection District</u>	<u>Affordable Housing Successor Agency</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendables:					
Items not in spendable form:					
Prepays	\$269,588				\$269,588
Land held for resale	298,748				298,748
Total Nonspendable Fund Balances	568,336				568,336
Restricted for:					
Debt Service					
Transportation				\$1,540,353	1,540,353
Belmont Fire Protection District		\$4,166,944			4,166,944
Special Revenue Programs				1,420,181	1,420,181
Capital Projects				665,477	665,477
Special Assessment District				295,853	295,853
Affordable Housing Activities			\$4,001,590		4,001,590
Total Restricted Fund Balances		4,166,944	4,001,590	3,921,864	12,090,398
Committed to:					
Special Revenue Programs				104,039	104,039
Total Committed Fund Balances				104,039	104,039
Assigned to:					
Emergency Repair Reserve	667,103				667,103
General Plan Update	550,000				550,000
Affordable Housing Activities	160,000				160,000
Capital Projects				1,213,342	1,213,342
Total Assigned Fund Balances				1,213,342	2,590,445
Unassigned	6,258,460				6,258,460
Total Fund Balances	\$8,203,899	\$4,166,944	\$4,001,590	\$5,239,245	\$21,611,678

C. Minimum Fund Balance Policies

The City Council has established a policy with adoption of the annual budget that the General Fund unrestricted fund balance should be maintained at a target of 33% of operating expenditures with a \$5,000,000 minimum. In addition, the City Council has established a \$50,000 Contingency appropriation which may be used to pay for an emergency or an uncertain occurrence. The use of contingency funds requires City Council approval. As of June 30, 2014, the City is in compliance with its minimum fund balance policies.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 10 - RETIREMENT BENEFITS

A. CALPERS Safety and Miscellaneous Employees Plans

Substantially all City employees are eligible to participate in pension plans offered by California Public Employees Retirement System (CALPERS) a multiple employer cost sharing defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The City's employees participate in the separate Safety (police) and Miscellaneous (all other) Employee Plans. Benefit provisions under both Plans are established by State statute and City resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CALPERS; the City must contribute these amounts. The Plans' provisions and benefits in effect at June 30, 2014, are summarized as follows:

	City Safety		City Miscellaneous	
	Tier 1	Tier 2	Tier 1	Tier 2
Hire date	Prior to January 1, 2012	After January 1, 2012	Prior to January 1, 2012	After January 1, 2012
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50	50-55	50-63	50-63
Monthly benefits, as a % of annual salary	3%	2.400%-3%	1.426%-2.418	1.426%-2.418
Required employee contribution rates	9%	9%	7%	7%
Required employer contribution rates	37.833%	20.774%	15.002%	10.773%

District Safety	
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	50-55
Monthly benefits, as a % of annual salary	2.400%-3%
Required employee contribution rates	9%
Required employer contribution rates	20.774%

The City's Safety and Miscellaneous Tier 2 plans cover new employees hired after January 1, 2012. The City's Safety and Miscellaneous Tier 3 plans covers new employees hired after January 1, 2013. The District's Safety plan covers Fire Protection District employees it hired as a result of the District's commencement of providing fire services as a result of service cessation by the Belmont-San Carlos Fire Department.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 10 - RETIREMENT BENEFITS (Continued)

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this Method is the level amount the employer must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarially accrued liability. The City uses the actuarially determined percentages of payroll to calculate and pay contributions to CALPERS. This results in no net pension obligations or unpaid contributions. Annual Pension Costs, representing the payment of all contributions required by CALPERS, for the last three fiscal years were as follows:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
<i>City Safety Plan - Tier 1</i>			
June 30, 2012	\$1,300,357	100%	\$0
June 30, 2013	1,063,145	100%	0
June 30, 2014	1,005,638	100%	0
<i>City Safety Plan - Tier 2</i>			
June 30, 2013	\$24,064	100%	\$0
June 30, 2014	42,246	100%	0
<i>City Safety Plan - Tier 3</i>			
June 30, 2014	\$28,121	100%	\$0
<i>City Miscellaneous Plan - Tier 1</i>			
June 30, 2012	\$1,108,299	100%	\$0
June 30, 2013	1,051,750	100%	0
June 30, 2014	1,063,688	100%	0
<i>City Miscellaneous Plan - Tier 2</i>			
June 30, 2013	\$1,436	100%	\$0
June 30, 2014	13,143	100%	0
<i>City Miscellaneous Plan - Tier 3</i>			
June 30, 2013	\$3,692	100%	\$0
June 30, 2014	21,941	100%	0
<i>District Safety Plan</i>			
June 30, 2012	\$382,181	100%	\$0
June 30, 2013	361,526	100%	0
June 30, 2014	553,680	100%	0

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 10 - RETIREMENT BENEFITS (Continued)

CALPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.50% is assumed, including inflation rate at 2.75%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over twenty years. Investment gains and losses are accumulated as they are realized and amortized over a rolling thirty year period.

As required by new State law, effective July 1, 2005, the City's Miscellaneous and Safety Plans were terminated, and the employees in those plans were required by CALPERS to join new State-wide pools. One of the conditions of entry to these pools was that the City true-up any unfunded liabilities in the former Plans, either by paying cash or by increasing its future contribution rates through a Side Fund offered by CALPERS. The City satisfied its Miscellaneous Plan's unfunded liability of \$3,400,416 agreeing to contribute that amount to the Side Fund through an addition to its normal contribution rates over the next 14 years. It satisfied its Safety Plan's liability of \$3,277,883 by agreeing to contribute that amount to the Side Fund through an addition to its normal contribution rates over the next 7 years.

The Plans' actuarial value (which differs from market value) and funding progress are set forth below at their actuarial valuation date of June 30, 2012. The City Safety Tier 2, Miscellaneous Tier 2, and District Safety Plans did not have participating members prior to June 30, 2011.

City Safety Plan - Tier 1:

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded Liability	Funded Ratio	Annual Covered Payroll	Unfunded Liability as % of Payroll
2010	\$10,165,475,166	\$8,470,235,152	\$1,695,240,014	83.3%	\$955,980,815	177.3%
2011	10,951,745,049	9,135,654,246	1,816,090,803	83.4%	949,833,090	191.2%
2012	11,724,021,480	9,854,787,710	1,869,233,770	84.1%	947,734,809	197.2%

City Safety Plan - Tier 2:

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded Liability	Funded Ratio	Annual Covered Payroll	Unfunded Liability as % of Payroll
2012	\$2,183,549,942	\$1,896,139,291	\$287,410,651	86.8%	232,078,083	123.8%

The City's Safety Tier 1 Plan represent 0.39% (\$3,705,460), 0.35% (\$3,342,443), and 0.35% (\$3,305,117) of the State-wide pool for each of the years ended June 30, 2012, 2011 and 2010, based on covered payroll for those years. The estimated actuarial unfunded liability are \$7,308,342, \$6,390,785 and \$5,860,961 for the years ended June 30, 2012, 2011 and 2010, based on covered payroll for those years.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 10 - RETIREMENT BENEFITS (Continued)

City Miscellaneous Plan - Tier 1 and 2:

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded Liability	Funded Ratio	Annual Covered Payroll	Unfunded Liability as % of Payroll
2010	\$3,309,064,934	\$2,946,408,106	\$362,656,828	89.0%	\$748,401,352	48.5%
2011	3,619,835,876	3,203,214,899	416,620,977	88.5%	759,263,518	54.9%
2012	4,175,139,166	3,686,598,343	488,540,823	88.3%	757,045,663	64.5%

The City's Miscellaneous Tier 1 Plan represent 1.05% (\$7,935,126), 0.97% (\$7,355,193) and 0.91% (\$6,775,383) of the State-wide pool for each of the years ended June 30, 2012, 2011 and 2010, based on covered payroll for those years. The estimated actuarial unfunded liability are \$5,120,738, \$4,035,921 and \$3,283,184 for the years ended June 30, 2012, 2011 and 2010, based on covered payroll for those years.

Audited annual financial statements are available from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709 or by visiting their website www.calpers.ca.gov.

B. Deferred Compensation Plans

City/District employees may defer a portion of their compensation under City/District sponsored Deferred Compensation Plans created in accordance with Internal Revenue Code Section 457. Under these Plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, and death or in an emergency as defined by the Plans.

The City/District has no liability for any losses incurred by the Plans and do not participate in any gains, but do have the duty of due care that would be required of an ordinary prudent investor. The City/District have contracts with various Administrators to manage and invest the assets of the Plans. The administrators pool the assets of the Plans with those of other participants and do not make separate investments for the City/District. The assets in the Plans are the sole property of the participants or their beneficiaries. Since the assets held under these plans are not the City's /Districts property and are not subject to claims by general creditors of the City/District, they have been excluded from these financial statements. The Plans require investments to be stated at fair market value and it requires all gains and losses on Plans investments to accrue directly to Participants accounts.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 10 - RETIREMENT BENEFITS (Continued)

C. *Public Employees' Pension Reform Act (PEPRA)*

Assembly Bill (AB) 340 pension reform created the Public Employees' Pension Reform Act (PEPRA) that implemented new benefit formulas and final compensation period, as well as new contribution requirements for new employees hired on or after January 1, 2013 who meet the definition of new member under PEPRA.

The Table below provides information on the benefit formula compensation information on the benefit formula, final compensation period and the employer and member contribution rates effective January 1, 2013 for any safety and miscellaneous employees that meet the definition of a new member under PEPRA.

Benefit Formula	Safety 2.7% at Age 57	Miscellaneous 2% at Age 62
Final Compensation Period	3 Year Final Compensation	3 Year Final Compensation
Employer Contribution Rate as a percentage payroll	11.50% of Reportable Compensation	6.50% of Reportable Compensation
Member Contribution Rate as a percentage of payroll	11.50% of Reportable Compensation	6.50% of Reportable Compensation

The employer contribution rate listed above is through June 30, 2014. In accordance with PEPRA and CalPERS interpretation of the term similarly situated, the member contribution rate shown in the above table was set at 50 percent of the expected total normal cost rate for the benefits that will apply to new safety and miscellaneous members on January 1, 2013 rounded to the nearest one quarter of one percent. The total normal cost rate used for this calculation is 23.0% of payroll for safety members and 13.0% of payroll for miscellaneous members. As of June 30, 2014 the City has 5 employees participating in Tier 3 Safety Plan, and 5 employees participating in Tier 3 Miscellaneous Plan.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS

During fiscal year 2009, the City implemented the provisions of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes uniform financial reporting standards for employers providing postemployment benefits other than pensions (OPEB).

By resolution and through agreements with its labor units, the City and District provide certain health care benefits for retired employees (spouse and dependents are not included) under third-party insurance plans. The City and District participate in the CalPERS health care plan, a single employer plan, which is governed under the California Public Employees Health and Medical Care Act (PEMCHA). A summary of eligibility and retiree contribution requirements are shown below by bargaining unit:

Service or Disability Retirement from the City

- Age and service requirements:

AFSCME

- 50 & 10 hired before 7/1/1985
- 50 & 12 hired after 7/1/1985
- 50 & 10 hired after 8/1/2012

BPOA

- 50 & 12 hired before 10/11/2011
- 50 & 10 hired after 10/11/2011

MMCEA & Unrepresented

- 50 & 12
- 50 & 10 hired after 10/1/2012

Service or Disability Retirement from Belmont Fire Protection District

- 50 & 5

Service Retirement:

- Retire before 7/1/2001 - Single premium for retiree selected plan
- Retire after 7/1/2001 - Receive a benefit which, when added to the CalPERS Minimum Employer Contribution, brings the total up to the lesser of the Bay Area single premium rate for the medical plan selected by the retiree and the Bay Area Kaiser single rate.
- Hired after 10/11/2011, 8/1/2012, 10/1/2012 - Contribution to a retirement health savings account
- Service eligibility requirement not met - Public Employees' Medical Hospital Care Act (PEMHCA) minimum only.

Disability Retirement:

- Miscellaneous Group - Same benefit as service retirement or PEMHCA if eligibility requirement not met.
- BPOA - same benefit as service retirement but without the age or service requirement.

Retirement for BFPD:

- Retirement Health Savings Account (RHSA), with BFD contributions for active employees based on years of service (RHSA not included)

Transitioning to BFPD from BSCFD (or on active eligible list until 10/1/13):

- Single premium up to the Kaiser Bay Area rate
- In lieu of contributions to RHSA

City:

- Public Employees Medical Hospital Care Act (PEMHCA) minimum only.

BFPD:

- Based on CalPERS retirement election
- PEMHCA Minimum
- Equal Method

CalPERS minimum employer contribution:

<u>YEAR</u>	<u>PEMHCA Minimum</u>
2014	\$119.00
2015+	Increase 4.5%/yr

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

As of June 30, 2014, approximately 73 City participants and 3 District participants were eligible to receive retiree benefits.

A. Funding Policy and Actuarial Assumptions

The annual required contribution (ARC) was determined as part of the April 1, 2014 actuarial valuation using the entry age normal actuarial cost method for the City and a February 14, 2012 study for the District also used this method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 7.61% investment rate of return for the City and 7.25% for the District, (b) 3.25% projected annual salary increase, (c) 6.0% inflation rate for the City and 3.0% for the District, and (d) the following health inflation increases:

City			District		
Year Beginning	Under 65	65 and Older	Year	Non-Medicare	Medicare
January 1, 2014	8.50%	8.90%			
January 1, 2015	8.00%	8.30%	2015	8.00%	8.30%
January 1, 2016	7.50%	7.80%	2016	7.50%	7.80%
January 1, 2017	7.00%	7.20%	2017	7.00%	7.20%
January 1, 2018	6.50%	6.70%	2018	6.50%	6.70%
January 1, 2019	6.00%	6.10%	2019	6.00%	6.10%
January 1, 2020	5.50%	5.60%	2020	5.50%	5.60%
January 1, 2021 +	5.00%	5.00%	2021+	5.00%	5.00%

The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The City's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll with a closed 27 year amortization period remaining. The Belmont Fire Protection District (District) benefit plan was established on October 1, 2011.

In accordance with the City's and District's budgets, the ARC is to be funded throughout the year as a percentage of payroll. During the year ended 2008, the City Council and, during the fiscal year ended 2012 the District passed resolutions to participate in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is administrated by CalPERS, and is managed by an appointed board not under the control of the City Council or Fire Board of Directors. These Trusts are not considered a component unit by the City or District and have been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

B. Funding Progress and Funded Status

Generally accepted accounting principles permits contributions to be treated as OPEB assets and deducted from the Actuarial Accrued Liability (AAL) when such contributions are placed in an irrevocable trust or equivalent arrangement. During the fiscal year ended June 30, 2014, the City and District made contributions equal to the ARC, as shown below:

	<u>City</u>	<u>District</u>
Annual required contribution (ARC) and Annual OPEB cost	\$867,000	\$204,000
Contributions:		
Contributions to CERBT	(392,192)	(191,244)
Benefits Payment	(474,808)	(12,756)
Total contribution made:	<u>(867,000)</u>	<u>(204,000)</u>
 (Decrease) increase in net OPEB obligations		
Net OPEB obligation (asset) June 30, 2013	<u> </u>	<u> </u>
Net OPEB obligation (asset) June 30, 2014	<u> -</u>	<u> -</u>

The City's Plan annual required contributions and actual contributions for the years ended June 30 are set forth below:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
6/30/2012	\$838,000	\$838,000	100%	\$0
6/30/2013	840,000	840,000	100%	0
6/30/2014	867,000	867,000	100%	0

BFPD's annual required contribution and actual contributions for the years ended June 30 are set forth below:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
6/30/2012	\$145,000	\$145,000	100%	\$0
6/30/2013	200,000	200,000	100%	0
6/30/2014	204,000	204,000	100%	0

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

The Schedule of Funding Progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Trend data from the actuarial study is presented below:

(in thousands)

Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Overfunded (Underfunded) Actuarial Accrued Liability (A – B)	Funded Ratio (A/B)	Covered Payroll (C)	Overfunded (Underfunded) Actuarial Liability as Percentage of Covered Payroll [(A – B)/C]
6/30/2011	\$1,612	\$7,365	(5,753)	21.89%	\$11,754	-48.9%
6/30/2012	2,150	7,475	(5,325)	28.76%	11,011	-48.4%
6/30/2013	2,774	9,637	(6,863)	28.78%	10,291	-66.7%

Trend data from the District's latest actuarial study dated October 1, 2011 is presented below:

(in thousands)

Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Overfunded (Underfunded) Actuarial Accrued Liability (A – B)	Funded Ratio (A/B)	Covered Payroll (C)	Overfunded (Underfunded) Actuarial Liability as Percentage of Covered Payroll [(A – B)/C]
10/1/2011	0	0	0	0.00%	\$2,346	0.0%

NOTE 12 – RISK MANAGEMENT

A. Liability Coverage

The City purchases commercial insurance against general liability with coverage of \$25,000,000 per occurrence above the City's \$250,000 self-insured retention. The City has automotive liability with coverage of \$3,144,122 above the City's self-insured retention of \$1,000 and \$5,000 and property coverage at the replacement value of the property with a limit of \$1,000,000,000 above the City's deductible of \$10,000. The City also purchases pollution insurance against general liability with coverage of \$10,000,000 per occurrence and up to \$50,000,000 in aggregate.

The Belmont Fire Protection District purchases commercial insurance against general liability with coverage of \$1,000,000 per occurrence and up to \$2,000,000 in aggregate. The District has automotive liability with coverage of \$1,000,000 above the deductible of \$1,000.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 12 – RISK MANAGEMENT (Continued)

B. Workers Compensation Coverage

Effective December 1, 2004 the City purchased insurance for workers compensation through CSAC Excess Insurance Authority with coverage up to statutory limits. This policy also covers Belmont Fire Protection District as of October 1, 2011. Prior to that date the City purchased commercial insurance for workers compensation coverage up to statutory limits. The City had no deductible for these losses.

C. Liability for Uninsured Claims

The City provides for the uninsured portion of claims and judgments in the Workers' Compensation and General Liability Internal Service Funds. Claims and judgments, including a provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed, above, the City has coverage for such claims, but it has retained the risk for the deductible or uninsured portion of these claims.

For the years ended June 30, 2014, 2013 and 2012 the amount of settlements did not exceed insurance coverage.

The City's liability for uninsured claims is limited to workers' compensation and general liability claims, as discussed above, and was estimated by management based on prior year's claims experience as follows:

	<u>2013-2014</u>	<u>2012-2013</u>	<u>2011-2012</u>
Balance, July 1	\$765,797	\$308,892	\$365,479
Net change in claims liabilities	307,608	1,148,687	205,559
Claims paid	<u>(251,329)</u>	<u>(691,782)</u>	<u>(262,146)</u>
Balance, June 30	<u>\$822,076</u>	<u>\$765,797</u>	<u>\$308,892</u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 12 – RISK MANAGEMENT (Continued)

D. *Claims Liability due to BFI Waste Systems of North America, Inc. Settlement Agreement*

On November 8, 2011, BFI Waste Systems of North America, Inc. (Allied) filed a claim with the City alleging that the City owes BFI for a balancing account shortfall of \$1,018,812 plus interest. The claim was based on a ten year solid waste collection franchise agreement between the City and BFI that expired in 2010. On March 14, 2013 the Settlement Agreement was reached and the City agreed to pay Allied a settlement payment of \$1,018,000 plus interest at the rate of 4.25% per annum. The remaining balance of \$250,000 is outstanding as of June 30, 2014. Annual settlement payments are shown below. Interest payments will be waived if the City pays all required principal payments on or before the dates specified in the agreement.

For the Year Ending June 30	Payments Principal
2015	\$75,000
2016	175,000
Total	<u>\$250,000</u>

NOTE 13 – JOINT VENTURES

The City participates in the joint ventures discussed below through formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each joint venture is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective joint venture, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these joint ventures are not the City's responsibility and the City generally does not have an equity interest in the assets of each joint venture except upon dissolution of the joint venture.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 13 – JOINT VENTURES (Continued)

A. *Equity interests*

The City has recorded its equity interest in the follow joint venture:

Silicon Valley Clean Water Joint Powers Authority (SVCW), formerly known as South Bayside System Authority, was formed in 1975 between the Cities of San Carlos, Belmont and Redwood City and the West Bay Sanitary District to operate a wastewater treatment facility. The cost of operating and maintaining the facility is divided in proportion to the volume of sewage entering from each member entity. The City's contribution toward the cost of operating and maintaining the facility during the year ended, June 30, 2014 was \$2,470,622. In addition, during fiscal year 2008-09, the SVCW and its members authorized the commencement of a major 10 year renovation and replacement project to its infrastructure wastewater facility. In conjunction with that project the City is obligated to fund its share of project costs. Financial statements may be obtained by mailing a request to the Silicon Valley Clean Water, 1400 Radio Road, Redwood City, CA 94065.

The City has an equity interest in the assets of SVCW, which has been recorded as Investment in SVCW in the Sewer Operations Enterprise Fund based on the latest audited financial statement of SVCW as of June 30, 2013. As of June 30, 2014 the City's equity amounted to \$20,433,823.

B. *Jointly Governed Organizations*

The City also participates in the following jointly governed organizations under which it is obligated to fund annual operating costs, but there is no ongoing equity interest in the assets of the organizations:

City/County Association of Governments of San Mateo County (C/CAG) was formed in 1990 between the various cities in San Mateo County to prepare, adopt, monitor and enforce state mandated plans for the management of traffic congestion, integrated solid waste, airport land use, hazardous waste and county-wide housing element. The City's contribution to C/CAG was \$108,906 for the year ended June 30, 2014. Financial statements may be obtained by mailing a request to the City of San Carlos, 666 Elm Street, San Carlos, CA 94070.

Peninsula Traffic Congestion Relief Agency was formed by the cities of San Mateo County and San Mateo County to attempt to mitigate traffic congestion. The Agency is funded through a Countywide sales tax levied for transportation systems improvements.

Belmont-San Carlos Fire Department was formed in 1979 between the City of San Carlos and Belmont Fire Protection District on an equal basis to provide more efficient fire protection services. Any assets used by the Department but owned by the member agencies prior to the creation of the Department remain the property of the members.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 13 – JOINT VENTURES (Continued)

On September 30, 2011, the Department terminated providing services to the Members. As a result, the Department's employees were laid off, its capital assets were distributed to the Members and certain lease obligations were assumed by the Members. Subsequent to that date, the Department operates in an inactive mode, collecting Member contributions to fund legacy costs, such as pension and retiree medical obligations and claims payable, remaining after service termination. As required under the Agreement, these legacy costs are funded through contributions from Members according to the average of annual funding formulas used to determine Member contributions.

South Bayside Waste Management Authority (SBWMA) is a joint powers agreement formed on October 13, 1999. Members of the South Bayside Waste Management Authority currently include the cities of Atherton, Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, Redwood City, San Carlos, San Mateo, as well as the West Bay Sanitary District and the County of San Mateo. The Members are required by AB939 to reduce, recycle and reuse solid waste generated within their respective jurisdictions and to provide source reduction, recycling and composting activities. The South Bayside Waste Management Authority's purpose is to assist its members in meeting these requirements.

NOTE 14 - COMMITMENTS AND CONTINGENT LIABILITIES

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no pending litigation, which is likely to have a material adverse effect on the financial position of the City.

The California Department of Finance (DOF) has demanded that the Successor Agency of the former Redevelopment Agency (RDA) recover from the City and remit to the Auditor-Controller of the County of San Mateo, the amount of \$1,333,533 for distribution to other taxing entities. The amount demanded consists of payments that the former Redevelopment Agency made to contractors, consultants, vendors, and the City between January 1, 2011 and January 31, 2012, for goods and services, primarily for the construction of public works within the Project Area.

Health & Safety Code section 34179.5(b)(3) defines "transferred" as the transmission of money to another party that is not in payment for goods and services. DOF characterized the payments in question as disallowed transfers and did not acknowledge that the payments were for goods and services. Among other challenges, the petition disputes that assets were "transferred" within the meaning of Health & Safety Code section 34179.5(b)(3), and asserts that the majority of the payments (\$1,084,963 of the \$1,333,533 in dispute) were for capital costs paid for with bond proceeds that are not subject to distribution under the Dissolution Act. Settlement negotiations were ongoing at June 30, 2014. Subsequent to June 30, 2014, the City and DOF reached a settlement agreement which resolved the disputed payments.

The City participates in Federal, State and local grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act of 1984 as amended and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 15 – RDA OBLIGATION RETIREMENT TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES

A. Redevelopment Dissolution

Effective January 31, 2012, all Redevelopment Agencies were dissolved. Certain assets of the former Redevelopment Agency Low and Moderate Income Housing Fund were distributed to a Housing Successor; and all remaining former Redevelopment Agency assets and liabilities were distributed to the Successor Agency.

ABx1 26 and AB1484 directed the State Controller to review the activities of all former redevelopment agencies and successor agencies to determine whether an asset transfer between a former redevelopment agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the redevelopment agency. As of June 30, 2014, the State Controller's Office has not completed its asset transfer review.

B. Capital Assets

Activity of the Successor Agency's Capital Assets is presented below:

	Balance June 30, 2013	Additions	Balance June 30, 2014
Governmental Activities			
Capital assets being depreciated:			
Improvements other than buildings	\$2,470,649		\$2,470,649
Total capital assets being depreciated	2,470,649		2,470,649
Less accumulated depreciation for:			
Improvements other than buildings	427,519	\$98,826	526,345
Total accumulated depreciation	427,519	98,826	526,345
Total depreciable assets	2,043,130	(98,826)	1,944,304
Governmental activity capital assets, net	\$2,043,130	(\$98,826)	\$1,944,304

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 15 – RDA OBLIGATION RETIREMENT TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES (Continued)

C. Long-Term Debt

1. Current Year Transactions and Balances

The Successor Agency assumed the long-term obligations of the former Redevelopment Agency as of February 2012. The debt issues and transactions are summarized below.

	Balance June 30, 2013	Retirements	Balance as of June 30, 2014	
			Due Within One Year	Due Beyond One Year
Redevelopment Long-Term Bonds Payable:				
1996 Series Housing Set-Aside Bonds, 7.55%-7.75%, due serially to 2017	\$1,070,000	\$240,000	\$255,000	\$575,000
1999 Series A Refunding Bonds, 5.00%-5.85%, due serially to 2030	9,020,000	690,000	725,000	7,605,000
1999 Series B Subordinated Bonds, 5.00%-5.85%, due serially to 2030	6,690,000	245,000	260,000	6,185,000
Total	\$16,780,000	\$1,175,000	\$1,240,000	\$14,365,000

2. Summary of Debt Issues

On April 1, 1996, the former Redevelopment Agency issued \$3,265,000 principal amount of **Los Costanos Community Development Project Area Housing Set-Aside Tax Allocation Bonds (Taxable), Series 1996**. Proceeds from the Bonds were used to increase, improve and preserve low and moderate income housing in the project area. Interest is due semiannually on February 1 and August 1 and principal is due annually on August 1 and is repayable from incremental property tax revenues required to be set aside to fund low and moderate income housing projects. The pledge of future incremental property tax revenues ends upon repayment of the \$929,975 in remaining debt service on the Bonds scheduled to occur in 2017.

Prior to February 1, 2012, tax increment revenues were used to fund debt service on the Bonds. As the result of the dissolution of the former Redevelopment Agency pursuant to state law, the Successor Agency assumed the Bonds and receives payments from the County's Redevelopment Property Tax Trust Fund (CRPTTF) to pay debt services and fund other activities of the former Redevelopment Agency.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 15 – RDA OBLIGATION RETIREMENT TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES (Continued)

On December 1, 1999, the former Redevelopment Agency approved the issuance of \$15,490,000 and \$8,725,000 principal amounts of Los Costanos Community Development Project Senior Tax Allocation Refunding, Series 1999A and Subordinated Tax Allocation Bonds, Series 1999B. Proceeds from the 1999A Bonds were used to repay the Note Payable to the City and advance refund the Subordinated Tax Allocation Bonds, Series 1994A and 1992A (Prior Bonds). Series 1999A proceeds along with funds remaining from the Prior Bonds were used to acquire US government securities, which were placed in irrevocable trusts to be used to repay all future debt service on the Prior Bonds. Unspent proceeds from the Series 1999B Bonds as of June 30, 2014 amounted to \$3,275,146. The Prior Bonds are considered defeased and have been removed, along with the trusts, from the financial statements. The balance outstanding on the Prior Bonds at June 30, 2014 was \$5,775,000.

Proceeds from the Series 1999B Bonds are to be used to finance various redevelopment projects. Interest is due semiannually on February 1 and August 1 and principal is due annually on August 1. Debt service on the 1999A bonds is repayable from incremental property tax revenues, net of low and moderate income housing set-asides required by State law. The 1999B Bonds are subordinated to the Agency's obligation to pay debt service on the 1999A Bonds and certain pass-through amounts owed to other government agencies. The pledge of future incremental property tax revenues ends upon repayment of \$21,122,558 for Series 1999A and Series 1999B Bonds in remaining debt service which is scheduled to occur in 2030.

3. Debt Service Requirements

Annual debt service requirements are shown below:

For the Year Ending June 30:	Principal	Interest
2015	\$1,240,000	\$860,184
2016	1,310,000	785,598
2017	1,395,000	705,259
2018	1,155,000	631,335
2019	830,000	575,908
2020 - 2024	4,900,000	2,100,973
2025 - 2029	3,970,000	765,038
2030	805,000	23,238
Total	<u>\$15,605,000</u>	<u>\$6,447,533</u>

4. Subsequent Event - Issuance of Refunding Bonds

On August 19, 2014, the Successor Agency issued the \$7,375,000 Series 2014A Senior Tax Allocation Refunding Bonds to refund the outstanding 1999A Bonds; and the \$3,050,000 Series 2014B Subordinate Tax Allocation Refunding Bonds to refund both outstanding 1999B Bonds and 1996 Housing Set-Aside Bonds.

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Recreation – To account for certain recreation programs where a large portion of the expenditures are financed by user fees.

Library Maintenance and Operations – To account for funds restricted for the maintenance and operations of the library, which is financed by parcel tax and special tax revenue.

City Trees – To account for the removal of trees required for the development of property, which is financed by user fees.

Development Services - To account for resources received from current planning and building inspection fees and permits, which is financed by user fees.

Supplemental Law Enforcement Services – To account for resources received from the State of California to be spent on front line law enforcement needs.

Public Safety – To account for grants and donations committed to the Police Department's activities and the City's red light camera program.

Street Maintenance State Gasoline Tax – To account for gas tax resources restricted for expenditure on streets.

Street Improvements Measure A Grants – To account for the City's portion of the special half cent sales tax receipts restricted for street expenditures and other street related grants.

Traffic Mitigation – To account for resources received and restricted for expenditures on relieving traffic congestion.

Athletic Field Maintenance – To account for athletic field maintenance and operations, which are financed by player registration fees.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

CAPITAL PROJECTS FUNDS

General Facilities – To account for the construction and maintenance of improvements to general-use City facilities.

Comcast – To account for the purchase and installation of hardware within City Hall to broadcast events to Pen TV, our Public Education Government Channel.

Planned Park – To account for the acquisition and improvement of parks, playgrounds, and recreation facilities.

Special Assessment District – To account for maintenance and improvement costs within City's Special Assessment District boundaries. Resources represent funds remaining after the retirement of Special Assessment Debt.

Open Space – To account for the accumulation of resources for the acquisition, preservation, and improvements of open space.

Highway 101 Bike Pedestrian Bridge – To account for resources received and to be expended on the construction of Highway 101 Bike/Pedestrian Bridge Project.

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CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2014

	SPECIAL REVENUE FUNDS				
	Recreation	Library Maintenance and Operations	City Trees	Development Services	Supplemental Law Enforcement Services
ASSETS					
Cash and investments	\$98,212	\$949,724	\$315,191	\$152,098	
Receivables:					
Accounts		3,543			\$24,360
Due from other governmental agencies					
Due from other funds					
Total Assets	<u>\$98,212</u>	<u>\$953,267</u>	<u>\$315,191</u>	<u>\$152,098</u>	<u>\$24,360</u>
LIABILITIES					
Accounts payable, and other liabilities / contracts payable	\$35,238	\$263	\$3,846	\$52,995	
Deposits	62,974				
Due to other funds					\$24,360
Total Liabilities	<u>98,212</u>	<u>263</u>	<u>3,846</u>	<u>52,995</u>	<u>24,360</u>
FUND BALANCES					
Restricted		953,004	311,345		
Committed				99,103	
Assigned					
Total Fund Balances	<u></u>	<u>953,004</u>	<u>311,345</u>	<u>99,103</u>	<u></u>
Total Liabilities and Fund Balances	<u>\$98,212</u>	<u>\$953,267</u>	<u>\$315,191</u>	<u>\$152,098</u>	<u>\$24,360</u>

SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUND
Public Safety	Street Maintenance State Gasoline Tax	Street Improvements Measure A Grants	Traffic Mitigation	Athletic Field Maintenance	General Facilities
\$3,623		\$1,495,406		\$158,604	\$869,146
1,313	\$18,869				
	62,410	90,456			
<u>\$4,936</u>	<u>\$81,279</u>	<u>\$1,585,862</u>		<u>\$158,604</u>	<u>\$869,146</u>
	\$8,079	\$45,509		\$2,772	
	73,200				
	81,279	45,509		2,772	
\$4,936		1,540,353		155,832	
					\$869,146
4,936		1,540,353		155,832	869,146
<u>\$4,936</u>	<u>\$81,279</u>	<u>\$1,585,862</u>		<u>\$158,604</u>	<u>\$869,146</u>
					(Continued)

CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2014

	CAPITAL PROJECTS FUND					Total Nonmajor Governmental Funds
	Comcast	Planned Park	Special Assessment District	Open Space	Highway 101 Bike Pedestrian Bridge	
ASSETS						
Cash and Investments	\$351,026	\$317,697	\$295,853	\$344,562		\$5,351,142
Receivables:						
Accounts		2,341				50,426
Due from other governmental agencies						152,866
Due from other funds						
Total Assets	<u>\$351,026</u>	<u>\$320,038</u>	<u>\$295,853</u>	<u>\$344,562</u>		<u>\$5,554,434</u>
LIABILITIES						
Accounts payable, and other liabilities / contracts payable		\$5,587		\$366		\$154,655
Deposits						62,974
Due to other funds						97,560
Total Liabilities		<u>5,587</u>		<u>366</u>		<u>315,189</u>
FUND BALANCES						
Restricted	\$351,026	314,451	\$295,853			3,921,864
Committed						104,039
Assigned				344,196		1,213,342
Total Fund Balances	<u>351,026</u>	<u>314,451</u>	<u>295,853</u>	<u>344,196</u>		<u>5,239,245</u>
Total Liabilities and Fund Balances	<u>\$351,026</u>	<u>\$320,038</u>	<u>\$295,853</u>	<u>\$344,562</u>		<u>\$5,554,434</u>

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CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

	SPECIAL REVENUE FUNDS				
	Recreation	Library Maintenance and Operations	City Trees	Development Services	Supplemental Law Enforcement Services
REVENUES					
Taxes		\$297,031			
Licenses and permits				\$786,146	
Fines and forfeitures				2,210	
Use of money and property	\$11	386	\$107	78	
Intergovernmental	38,613				\$100,000
Charges for current services	1,598,308		97,536	1,286,529	
Miscellaneous	12,946	388		1,480	
Total Revenues	1,649,878	297,805	97,643	2,076,443	100,000
EXPENDITURES					
Current:					
Public safety					119,061
Highways and streets				274,321	
Culture and recreation	2,042,361	336,227	18,074		
Urban redevelopment				1,821,552	
Capital outlay					
Debt service:					
Interest and fiscal charges					
Total Expenditures	2,042,361	336,227	18,074	2,095,873	119,061
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(392,483)	(38,422)	79,569	(19,430)	(19,061)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets					
Transfers in	392,483			203,852	19,061
Transfers (out)				(147,500)	
Total Other Financing Sources (Uses)	392,483			56,352	19,061
NET CHANGE IN FUND BALANCES		(38,422)	79,569	36,922	
BEGINNING FUND BALANCES		991,426	231,776	62,181	
ENDING FUND BALANCES		\$953,004	\$311,345	\$99,103	

SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUND
Public Safety	Street Maintenance State Gasoline Tax	Street Improvements Measure A Grants	Traffic Mitigation	Athletic Field Maintenance	General Facilities
	\$800,882	\$661,151			
\$86,899 63		466	\$8	\$55	\$320
	459,440	482,768		74,707	53,750
1,163	28,295	48,818			
88,125	1,288,617	1,193,203	8	74,762	54,070
61,583	1,569,380			40,677	
34,984		955,455	47,818	25,955	116,717
96,567	1,569,380	955,455	47,818	66,632	116,717
(8,442)	(280,763)	237,748	(47,810)	8,130	(62,647)
(135,315)	280,763	170,000 (282,589)		30,000	225,500
(135,315)	280,763	(112,589)		30,000	225,500
(143,757)		125,159	(47,810)	38,130	162,853
148,693		1,415,194	47,810	117,702	706,293
\$4,936		\$1,540,353		\$155,832	\$869,146
					(Continued)

CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

	CAPITAL PROJECTS FUND					
	Comcast	Planned Park	Special Assessment District	Open Space	Highway 101 Bike Pedestrian Bridge	Total Nonmajor Governmental Funds
REVENUES						
Taxes						\$1,759,064
Licenses and permits						786,146
Fines and forfeitures						89,109
Use of money and property		\$135	\$4,278	\$83		5,990
Intergovernmental	\$146					675,277
Charges for current services						3,516,520
Miscellaneous		9,341				102,431
Total Revenues	146	9,476	4,278	83		6,934,537
EXPENDITURES						
Current:						
Public safety						180,644
Highways and streets						1,843,701
Culture and recreation				151,364		2,588,703
Urban redevelopment						1,821,552
Capital outlay	15,330	57,771			1,826	1,255,856
Debt service:						
Interest and fiscal charges				4,126		4,126
Total Expenditures	15,330	57,771		155,490	1,826	7,694,582
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(15,184)	(48,295)	4,278	(155,407)	(1,826)	(760,045)
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets				2,050,000		2,050,000
Transfers in					1,826	1,323,485
Transfers (out)						(565,404)
Total Other Financing Sources (Uses)				2,050,000	1,826	2,808,081
NET CHANGE IN FUND BALANCES	(15,184)	(48,295)	4,278	1,894,593		2,048,036
BEGINNING FUND BALANCES	366,210	362,746	291,575	(1,550,397)		3,191,209
ENDING FUND BALANCES	\$351,026	\$314,451	\$295,853	\$344,196		\$5,239,245

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CITY OF BELMONT
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	SPECIAL REVENUE FUNDS					
	RECREATION			LIBRARY MAINTENANCE AND OPERATIONS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes				\$297,134	\$297,031	(\$103)
Licenses and permits						
Fines and forfeitures						
Use of money and property		\$11	\$11	748	386	(362)
Intergovernmental	\$44,625	38,613	(6,012)			
Charges for current services	1,601,209	1,598,308	(2,901)			
Miscellaneous	14,750	12,946	(1,804)		388	388
Total Revenues	<u>1,660,584</u>	<u>1,649,878</u>	<u>(10,706)</u>	<u>297,882</u>	<u>297,805</u>	<u>(77)</u>
EXPENDITURES						
Current						
Public safety						
Highways and streets						
Culture and recreation	2,153,051	2,042,361	110,690	361,144	336,227	24,917
Urban redevelopment						
Capital outlay:						
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>2,153,051</u>	<u>2,042,361</u>	<u>110,690</u>	<u>361,144</u>	<u>336,227</u>	<u>24,917</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(492,467)</u>	<u>(392,483)</u>	<u>99,984</u>	<u>(63,262)</u>	<u>(38,422)</u>	<u>24,840</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets						
Transfers in	521,727	392,483	(129,244)			
Transfers (out)						
Total Other Financing Sources (Uses)	<u>521,727</u>	<u>392,483</u>	<u>(129,244)</u>			
NET CHANGE IN FUND BALANCES	<u>\$29,260</u>		<u>(\$29,260)</u>	<u>(\$63,262)</u>	<u>(38,422)</u>	<u>\$24,840</u>
BEGINNING FUND BALANCES					991,426	
ENDING FUND BALANCES					<u>\$953,004</u>	

SPECIAL REVENUE FUNDS

CITY TREES			DEVELOPMENT SERVICES			SUPPLEMENTAL LAW ENFORCEMENT SERVICES		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$709,443	\$786,146	\$76,703			
				2,210	2,210			
\$112	\$107	(\$5)	44	78	34			
7,500	97,536	90,036	1,040,674	1,286,529	245,855	\$100,000	\$100,000	
				1,480	1,480			
7,612	97,643	90,031	1,750,161	2,076,443	326,282	100,000	100,000	
			325,340	274,321	51,019	118,656	119,061	(\$405)
35,000	18,074	16,926	2,351,743	1,821,552	530,191			
35,000	18,074	16,926	2,677,083	2,095,873	581,210	118,656	119,061	(405)
(27,388)	79,569	106,957	(926,922)	(19,430)	907,492	(18,656)	(19,061)	(405)
			512,813	203,852	(308,961)	43,838	19,061	(24,777)
			(147,500)	(147,500)				
			365,313	56,352	(308,961)	43,838	19,061	(24,777)
(\$27,388)	79,569	\$106,957	(\$561,609)	36,922	\$598,531	\$25,182		(\$25,182)
	231,776			62,181				
	\$311,345			\$99,103				

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CITY OF BELMONT
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	SPECIAL REVENUE FUNDS					
	PUBLIC SAFETY			STREET MAINTENANCE STATE GASOLINE TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes				\$724,456	\$800,882	\$76,426
Licenses and permits						
Fines and forfeitures	\$90,000	\$86,899	(\$3,101)			
Use of money and property	20	63	43	102		(102)
Intergovernmental						
Charges for current services				550,984	459,440	(91,544)
Miscellaneous	350	1,163	813	18,000	28,295	10,295
Total Revenues	90,370	88,125	(2,245)	1,293,542	1,288,617	(4,925)
EXPENDITURES						
Current						
Public safety	61,516	61,583	(67)			
Highways and streets				1,983,415	1,569,380	414,035
Culture and recreation						
Urban redevelopment						
Capital outlay:	34,984	34,984				
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	96,500	96,567	(67)	1,983,415	1,569,380	414,035
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,130)	(8,442)	(2,312)	(689,873)	(280,763)	409,110
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets						
Transfers in				540,373	280,763	(259,610)
Transfers (out)		(135,315)	(135,315)			
Total Other Financing Sources (Uses)		(135,315)	(135,315)	540,373	280,763	(259,610)
NET CHANGE IN FUND BALANCES	<u>(\$6,130)</u>	<u>(143,757)</u>	<u>(\$137,627)</u>	<u>(\$149,500)</u>		<u>\$149,500</u>
BEGINNING FUND BALANCES		148,693				
ENDING FUND BALANCES		<u>\$4,936</u>				

SPECIAL REVENUE FUNDS

STREET IMPROVEMENTS MEASURE A GRANTS			TRAFFIC MITIGATION			ATHLETIC FIELD MAINTENANCE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$603,597	\$661,151	\$57,554						
792	466	(326)	\$36	\$8	(\$28)	\$66	\$55	(\$11)
563,630	482,768	(80,862)				70,000	74,707	4,707
47,851	48,818	967						
1,215,870	1,193,203	(22,667)	36	8	(28)	70,066	74,762	4,696
						40,000	40,677	(677)
2,353,064	955,455	1,397,609	47,851	47,818	33	55,000	25,955	29,045
2,353,064	955,455	1,397,609	47,851	47,818	33	95,000	66,632	28,368
(1,137,194)	237,748	1,374,942	(47,815)	(47,810)	5	(24,934)	8,130	33,064
	170,000	170,000					30,000	30,000
(540,373)	(282,589)	257,784						
(540,373)	(112,589)	427,784					30,000	30,000
(\$1,677,567)	125,159	\$1,802,726	(\$47,815)	(47,810)	\$5	(\$24,934)	38,130	\$63,064
	1,415,194			47,810			117,702	
	\$1,540,353						\$155,832	

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CITY OF BELMONT
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	CAPITAL PROJECT FUNDS					
	GENERAL FACILITIES			COMCAST		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Licenses and permits						
Fines and forfeitures						
Use of money and property	\$246	\$320	\$74			
Intergovernmental	53,850	53,750	(100)	\$272	\$146	(\$126)
Charges for current services						
Miscellaneous						
Total Revenues	<u>54,096</u>	<u>54,070</u>	<u>(26)</u>	<u>272</u>	<u>146</u>	<u>(126)</u>
EXPENDITURES						
Current						
Public safety						
Highways and streets						
Culture and recreation						
Urban redevelopment						
Capital outlay:	137,869	116,717	21,152	15,000	15,330	(330)
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>137,869</u>	<u>116,717</u>	<u>21,152</u>	<u>15,000</u>	<u>15,330</u>	<u>(330)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(83,773)</u>	<u>(62,647)</u>	<u>21,126</u>	<u>(14,728)</u>	<u>(15,184)</u>	<u>(456)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets						
Transfers in	225,500	225,500				
Transfers (out)						
Total Other Financing Sources (Uses)	<u>225,500</u>	<u>225,500</u>				
NET CHANGE IN FUND BALANCES	<u>\$141,727</u>	<u>162,853</u>	<u>\$21,126</u>	<u>(\$14,728)</u>	<u>(15,184)</u>	<u>(\$456)</u>
BEGINNING FUND BALANCES		<u>706,293</u>			<u>366,210</u>	
ENDING FUND BALANCES		<u>\$869,146</u>			<u>\$351,026</u>	

CAPITAL PROJECT FUNDS

PLANNED PARK			SPECIAL ASSESSMENT DISTRICT			OPEN SPACE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$326	\$135	(\$191)	\$110	\$4,278	\$4,168		\$83	\$83
	9,341	9,341						
326	9,476	9,150	110	4,278	4,168		83	83
315,159	57,771	257,388				\$68,000	151,364	(83,364)
						13,750	4,126	9,624
315,159	57,771	257,388				81,750	155,490	(73,740)
(314,833)	(48,295)	266,538	110	4,278	4,168	(81,750)	(155,407)	(73,657)
						1,937,135	2,050,000	\$112,865
						1,937,135	2,050,000	112,865
<u>(\$314,833)</u>	<u>(48,295)</u>	<u>\$266,538</u>	<u>\$110</u>	<u>4,278</u>	<u>\$4,168</u>	<u>\$1,855,385</u>	<u>1,894,593</u>	<u>\$39,208</u>
	362,746			291,575			(1,550,397)	
	<u>\$314,451</u>			<u>\$295,853</u>			<u>\$344,196</u>	

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds does not extend to internal service funds because they do not do business with outside parties. For the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments, which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

Workers' Compensation – To account for the City's and District's workers' compensation insurance program.

Liability Insurance – To account for coverage on the City's and District's general and automobile liability up to a retention of \$250,000 per claim.

Self-Funded Vision – To account for the City's vision reimbursement plan for its employees.

Benefit Stabilization – To account for certain accrued employee benefits.

Fleet and Equipment Management – To account for the interdepartmental services provided by the Fleet Management division and Information Services division.

Facilities Management – To account for the interdepartmental services provided by the Facilities Management Division.

BFPD Benefit Stabilization – To account for certain accrued employee benefits for the Belmont Fire Protection District.

CITY OF BELMONT
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2014

	<u>Workers' Compensation</u>	<u>Liability Insurance</u>	<u>Self-Funded Vision</u>	<u>Benefit Stabilization</u>	<u>Fleet and Equipment Management</u>
ASSETS					
Cash and Investments	\$383,269	\$382,511	\$19,664	\$196,373	\$1,601,030
Accounts receivable					3,499
Prepays and other assets					12,051
Depreciable capital assets, net					639,235
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>383,269</u>	<u>382,511</u>	<u>19,664</u>	<u>196,373</u>	<u>2,255,815</u>
LIABILITIES					
Accounts payable		7,138	19,664	196,373	56,973
Claims payable					
Current portion	60,000	272,894			
Due in more than one year	239,182				
Compensated absences					
Due in more than one year					81,679
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>299,182</u>	<u>280,032</u>	<u>19,664</u>	<u>196,373</u>	<u>138,652</u>
NET POSITION					
Net investment in capital assets					639,235
Unrestricted	84,087	102,479			1,477,928
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Net Position	<u>\$84,087</u>	<u>\$102,479</u>	<u></u>	<u></u>	<u>\$2,117,163</u>

<u>Facilities Management</u>	<u>BFPD Benefit Stabilization</u>	<u>Total</u>
\$48,083	\$97,528	\$2,728,458
4,272		7,771
		12,051
		639,235
<u>52,355</u>	<u>97,528</u>	<u>3,387,515</u>
20,336	93,277	393,761
		332,894
		239,182
<u>32,019</u>		<u>113,698</u>
<u>52,355</u>	<u>93,277</u>	<u>1,079,535</u>
		639,235
	4,251	1,668,745
	<u>\$4,251</u>	<u>\$2,307,980</u>

CITY OF BELMONT
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

	Workers' Compensation	Liability Insurance	Self-Funded Vision	Benefit Stabilization	Fleet and Equipment Management
OPERATING REVENUES					
Interdepartmental charges for services	\$791,824	\$302,501	\$29,090	\$852,411	\$1,627,641
Total Operating Revenues	791,824	302,501	29,090	852,411	1,627,641
OPERATING EXPENSES					
Insurance premiums	715,571	241,537			
Professional and legal	4,188	190,990	2,717	42,088	421,685
Operating costs					1,328,679
Other post employment benefits				867,290	
Insurance claims, net of change in claims payable	21,176	230,153	29,089		
Depreciation					301,696
Total Operating Expenses	740,935	662,680	31,806	909,378	2,052,060
Operating Income (Loss)	50,889	(360,179)	(2,716)	(56,967)	(424,419)
NONOPERATING REVENUES (EXPENSES)					
Gain on sale of capital assets					9,275
Use of money and property	40	162	5	11	4,644
Miscellaneous	113	44			3,215
Total Nonoperating Revenues (Expenses)	153	206	5	11	17,134
Income (Loss) Before Transfers	51,042	(359,973)	(2,711)	(56,956)	(407,285)
Transfers in			2,711		147,500
Change in Net Position	51,042	(359,973)		(56,956)	(259,785)
BEGINNING NET POSITION	33,045	462,452		56,956	2,376,948
ENDING NET POSITION	\$84,087	\$102,479			\$2,117,163

<u>Facilities Management</u>	<u>BFPD Benefit Stabilization</u>	<u>Total</u>
<u>\$783,023</u>	<u>\$209,322</u>	<u>\$4,595,812</u>
<u>783,023</u>	<u>209,322</u>	<u>4,595,812</u>
		957,108
155,621		817,289
1,243,370	1,089	2,573,138
	204,000	1,071,290
		280,418
		301,696
<u>1,398,991</u>	<u>205,089</u>	<u>6,000,939</u>
<u>(615,968)</u>	<u>4,233</u>	<u>(1,405,127)</u>
		9,275
441,678	6	446,546
		3,372
<u>441,678</u>	<u>6</u>	<u>459,193</u>
<u>(174,290)</u>	<u>4,239</u>	<u>(945,934)</u>
<u>174,290</u>		<u>324,501</u>
	4,239	(621,433)
	12	2,929,413
	<u>\$4,251</u>	<u>\$2,307,980</u>

CITY OF BELMONT
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

	Workers' Compensation	Liability Insurance	Self-Funded Vision	Benefit Stabilization	Fleet and Equipment Management
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from other funds	\$791,937	\$302,545	\$29,090	\$852,411	\$1,659,980
Payments to vendors	(719,759)	(439,832)	(2,717)	(42,088)	(765,818)
Payment to or on behalf of employees				(671,206)	(980,034)
Claims paid	(40,291)	(4,759)	(28,463)		
Cash Flows from Operating Activities	31,887	(142,046)	(2,090)	139,117	(85,872)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund receipts			2,711		1,697,897
Cash Flows from Noncapital Financing Activities			2,711		1,697,897
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets					(484,360)
Proceeds from sale of capital assets					9,275
Cash Flows from Capital and Related Financing Activities					(475,085)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest	40	162	5	11	4,644
Cash Flows from Investing Activities	40	162	5	11	4,644
Net Cash Flows	31,927	(141,884)	626	139,128	1,141,584
Cash and investments at beginning of period	351,342	524,395	19,038	57,245	459,446
Cash and investments at end of period	383,269	382,511	19,664	196,373	1,601,030
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	\$50,889	(\$360,179)	(\$2,716)	(\$56,967)	(\$424,419)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation					301,696
Miscellaneous revenues	113	44			3,215
Change in assets and liabilities:					
Accounts receivables					29,124
Prepays and other net assets					(2,510)
Accounts payable		(7,305)	626	196,084	(26,758)
Claims payable	(19,115)	225,394			
Compensated absences					33,780
Cash Flows from Operating Activities	\$31,887	(\$142,046)	(\$2,090)	\$139,117	(\$85,872)

Facilities Management	BFPD Benefit Stabilization	Total
\$783,073	\$301,510	\$4,720,546
(787,425)		(2,757,639)
(625,759)	(204,000)	(2,480,999)
		(73,513)
(630,111)	97,510	(591,605)
174,290		1,874,898
174,290		1,874,898
		(484,360)
		9,275
		(475,085)
441,678	6	446,546
441,678	6	446,546
(14,143)	97,516	1,254,754
62,226	12	1,473,704
\$48,083	\$97,528	\$2,728,458
(\$615,968)	\$4,233	301,696
		3,372
50		29,174
(24,743)	93,277	(2,510)
		231,181
		206,279
10,550		44,330
(\$630,111)	\$97,510	(\$591,605)

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AGENCY FUNDS

Agency Funds are presented separately from the Government-wide and Fund financial statements.

Agency Funds account for assets held by the City as agent for individuals, governmental entities, and non-public organizations. These funds include the following:

Section 125 Benefits Plan – To account for employee tax-free contributions and reinvestments for certain employee benefits established by the City under Section 125 of the Internal Revenue Code.

Library Community Facilities District – To account for payment of interest and principal on debt service of the District for the construction, maintenance and operations of the Library.

Net Six Joint Power Authority – To account for the activities of the Net Six Joint Powers Authority, which maintains a consolidated fire and emergency dispatch system for its members in San Mateo County.

CITY OF BELMONT
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2014

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
<u>Section 125 Benefit Plan</u>				
Assets:				
Cash and Investments	\$22,481	\$18,530	\$22,481	\$18,530
Total Assets	<u>\$22,481</u>	<u>\$18,530</u>	<u>\$22,481</u>	<u>\$18,530</u>
Liabilities:				
Section 125 employee benefits payable	\$22,481	\$18,530	\$22,481	\$18,530
Total Liabilities	<u>\$22,481</u>	<u>\$18,530</u>	<u>\$22,481</u>	<u>\$18,530</u>
<u>Library Community Facilities District</u>				
Assets:				
Cash and investments	\$321,898	\$661,177	\$682,940	\$300,135
Total Assets	<u>\$321,898</u>	<u>\$661,177</u>	<u>\$682,940</u>	<u>\$300,135</u>
Liabilities:				
Due to bondholders	\$321,898	\$661,177	\$682,940	\$300,135
Total Liabilities	<u>\$321,898</u>	<u>\$661,177</u>	<u>\$682,940</u>	<u>\$300,135</u>
<u>Net Six</u>				
Assets:				
Cash and Investments	\$398,749	\$166,005	\$177,695	\$387,059
Total Assets	<u>\$398,749</u>	<u>\$166,005</u>	<u>\$177,695</u>	<u>\$387,059</u>
Liabilities:				
Accounts payable	\$19,467	\$39,415	\$19,468	\$39,414
Due to other governments	379,282	126,590	158,227	347,645
Total Liabilities	<u>\$398,749</u>	<u>\$166,005</u>	<u>\$177,695</u>	<u>\$387,059</u>
<u>Total Agency Funds</u>				
Assets:				
Cash and investments	\$743,128	\$845,712	\$883,116	\$705,724
Total Assets	<u>\$743,128</u>	<u>\$845,712</u>	<u>\$883,116</u>	<u>\$705,724</u>
Liabilities:				
Accounts payable	\$19,467	\$39,415	\$19,468	\$39,414
Section 125 employee benefits payable	22,481	18,530	22,481	18,530
Due to other governments	379,282	126,590	158,227	347,645
Due to bondholders	321,898	661,177	682,940	300,135
Total Liabilities	<u>\$743,128</u>	<u>\$845,712</u>	<u>\$883,116</u>	<u>\$705,724</u>

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Members of the City Council
City of Belmont, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the City of Belmont, California, as of and for the year ended June 30, 2014, and have issued our report thereon dated September 22, 2014. Our report included emphasis of matters regarding the California Department of Finance demand that the Successor Agency of the former Redevelopment Agency recovers from the City and remit to the Auditor-Controller of the County of San Mateo the amount of \$1,333,533; and the State Controller's Office asset transfer review.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated September 22, 2014, which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

More & Associates

Pleasant Hill, California
September 22, 2014

Statistical Section



**SUPPLEMENTAL FINANCIAL INFORMATION
REGARDING SUCCESSOR AGENCY ASSESSED VALUATIONS
(UNAUDITED)**

Assessed Valuations

The base year valuation for the Project Area was established in the fiscal year ending June 30, 1982. The following table shows historical incremental assessed valuation (including all categories of assessed value) within the Project Area as of the March 1 lien date for the fiscal years 1982-83 through 2013-2014. It should be noted that due to adjustments after the lien date, assessed value may increase or decrease during the year. Factors causing these adjustments include, but are not limited to, supplemental assessments and appeals to assessed value. These adjustments to assessed values, in turn, cause tax increment revenues to increase or decrease.

CITY OF BELMONT SUCCESSOR AGENCY (FORMERLY BELMONT REDEVELOPMENT AGENCY) LOS COSTANOS COMMUNITY DEVELOPMENT PROJECT AREA HISTORICAL INCREMENTAL ASSESSED VALUATION

Fiscal Year Ending June 30	Total Assessed Valuation (1)	Incremental Assessed Valuation (1)	Change in Incremental Assessed Valuation From Previous Year
1983	\$157,135,342	\$21,536,072	not available
1984	171,237,981	35,638,711	65.48%
1985	184,060,881	62,564,250	75.55%
1986	201,153,514	65,554,244	4.78%
1987	234,842,064	99,242,794	51.39%
1988	246,823,012	111,223,742	12.07%
1989	254,810,733	119,211,463	7.18%
1990	275,154,532	139,555,262	17.07%
1991	313,264,539	177,665,269	27.31%
1992	349,801,313	214,202,043	20.56%
1993	376,194,509	240,595,239	12.32%
1994	389,900,944	254,301,674	5.70%
1995	397,847,297	262,248,027	3.12%
1996	420,827,405	285,228,135	8.76%
1997	441,467,705	305,868,435	7.24%
1998	483,248,340	347,649,070	13.66%
1999	508,606,319	373,007,049	7.29%
2000	551,190,752	415,591,482	11.42%
2001	628,703,301	493,104,031	18.65%
2002	703,196,659	567,597,389	15.11%
2003	736,172,756	600,573,486	5.81%
2004	763,224,908	627,625,638	4.50%
2005	793,262,313	657,663,043	4.79%
2006	828,369,282	692,770,012	5.34%
2007	882,997,061	747,397,791	7.89%
2008	925,665,178	790,065,908	5.71%
2009	1,001,611,395	866,012,125	9.61%
2010	1,021,824,923	886,225,653	2.33%
2011	979,692,227	844,092,957	-4.75%
2012	1,006,362,049	870,762,779	3.16%
2013	1,064,558,175	928,958,905	6.68%
2014	1,076,475,744	940,876,474	1.28%

Source: County of San Mateo

(1) Total assessed valuation in excess of the Agency's 1981-82 base year assessed valuation of \$135,599,270.

Historical Housing Set-Aside Amounts

The following table shows the historical allocation of tax increment revenues by the County of San Mateo derived from the project area.

CITY OF BELMONT SUCCESSOR AGENCY (FORMERLY BELMONT REDEVELOPMENT AGENCY) LOS COSTANOS COMMUNITY DEVELOPMENT PROJECT AREA HISTORICAL RECEIPT OF TAX INCREMENT AND TRUST FUND REVENUES

Fiscal Year Ending June 30	Secured Tax Increments (2)	Unsecured Tax Increment (2)	Unitary Revenue (3)	Supplemental Allocations (2)	Total Tax Increment (4)	Real Property Tax Trust Fund Allocations (6)	Total Tax	Housing Set Aside Amounts (5)	Change From Prior Year
1984					\$285,494		\$285,494	\$57,099	
1985					363,836		363,836	72,989	27.44%
1986	\$429,246	\$84,594		\$16,681	530,521		530,521	103,097	45.81%
1987	725,932	82,321		58,699	866,952		866,952	168,560	63.42%
1988	787,579	69,137		103,030	959,746		959,746	191,949	10.70%
1989	924,058	73,737		87,124	1,084,919		1,084,919	216,983	13.04%
1990	1,035,629	85,045	\$25,534	57,535	1,203,743		1,203,743	240,749	10.95%
1991	1,260,743	1,225,929	54,683	120,184	2,661,539		2,661,539	311,708	121.11%
1992	1,629,619	81,020	57,216	145,226	1,913,081		1,913,081	382,616	(28.12%)
1993	1,758,187	93,810	58,779	59,494	1,970,270		1,970,270	394,055	2.99%
1994	1,890,260	72,133	51,221	49,533	2,063,147		2,063,147	412,629	4.71%
1995	1,933,676	17,827	54,213	18,928	2,024,644		2,024,644	404,929	(1.87%)
1996	2,019,812	222,873	54,170	29,872	2,326,727		2,326,727	465,346	14.92%
1997	2,227,773	131,833	39,541	105,133	2,504,280		2,504,280	500,856	7.63%
1998	2,520,936	195,020	50,432	106,587	2,872,975		2,872,975	569,942	14.72%
1999	2,832,402	123,236	64,836	49,610	3,070,084		3,070,084	614,016	6.86%
2000	3,076,826	118,983	57,337	183,315	3,436,461		3,436,461	687,292	11.93%
2001	3,640,433	172,658	61,111	103,483	3,977,685		3,977,685	795,537	15.75%
2002	4,212,040	253,052	67,477	455,911	4,988,481		4,988,481	997,696	25.41%
2003	4,415,999	220,998	72,375	300,175	5,009,547		5,009,547	1,001,909	0.42%
2004	4,511,245	177,074	77,251	165,496	4,931,066		4,931,066	986,213	(1.57%)
2005	4,773,499	178,051	64,387	179,086	5,195,023		5,195,023	1,039,005	5.35%
2006	4,985,628	176,562	60,337	247,801	5,470,328		5,470,328	1,094,066	5.30%
2007	5,297,243	163,847	151,994	334,221	5,947,305		5,947,305	1,189,461	8.72%
2008	5,812,332	189,141	69,495	281,093	6,352,061		6,352,061	1,270,412	6.81%
2009	6,343,282	289,016	69,868	273,397	6,975,563		6,975,563	1,395,113	9.82%
2010	6,631,570	205,106	78,094	72,979	6,987,749		6,987,749	1,397,550	0.17%
2011	6,274,474	184,886	68,347	61,692	6,589,398		6,589,398	1,317,880	(5.70%)
2012	3,205,128	372,746	39,885		3,617,760	\$1,821,662	5,439,422		(17.45%)
2013						2,430,695	2,430,695		(55.31%)
2014						2,589,571	2,589,571		6.54%

(1) Amounts shown are net of amounts waived by the Agency under County Fiscal Agreement.

(2) Breakdown of tax increment amount secured, unsecured and supplemental categories not available for fiscal years ended June 30, 1984 through 1985.

(3) Unitary revenue reported separately starting in the fiscal year ended June 30, 1990.

(4) Total tax increment includes housing set-aside amounts. Under the RDA Dissolution Legislation, the Housing Set Aside was not required in FY 2012 and forward

(5) This amount calculated as defined in the Fiscal Agreement.

(6) Tax Increment Revenues are no longer allocated to Redevelopment Agencies, effective January 31, 2012. Effective February 1, 2012, the Successor Agency has assumed all obligations of the Redevelopment Agency. Pursuant to law, the Successor Agency receives Real Property Tax Trust Funds Allocations to finance its activities including debt service on obligations of the former Redevelopment Agency.

Source: Belmont Successor Agency and County of San Mateo Controller's Office.

Debt Service Coverage

Housing Set-Aside Amounts in fiscal year 2013-2014 were \$0 pursuant to AB x1-26. See the table above entitled "Historical Receipt of Tax Incremental Revenues." Prior to July 1, 2011, tax increment revenues were used to fund debt service on the 1996 Housing Set-Aside Bonds. As a result of the dissolution of the Redevelopment Agency pursuant to state law, a Successor Agency assumed the debt and receives tax revenues used to pay debt service and fund other activities of the former Redevelopment Agency. Debt service repayments on these bonds are made by the Successor Agency from tax revenue.

Major Property Taxpayers

The ten largest assesses in the Project Area for fiscal 2012-2013 and the assessed valuation of their respective properties in the Project Area as reported by the County are provided in the following schedule. The total taxable value of these properties equals \$284,534,393 which represents approximately 27% percent of the Project Area's secured taxable valuation (including Unitary Assessed valuation).

**CITY OF BELMONT SUCCESSOR AGENCY
(FORMERLY BELMONT REDEVELOPMENT AGENCY)
LOS COSTANOS COMMUNITY DEVELOPMENT PROJECT AREA
TEN LARGEST SECURED PROPERTY TAX ASSESSES**

Assesse	Use	12-13 Taxable Value (2)	Percentage of Total Secured Taxable Value of Project Area (1)
1 HINES VAF II 600 CLIPPER L P	Office	\$53,333,240	4.22%
2 ORACLE CORPORATION	Office	47,634,413	4.47%
3 NIKON PRECISION INC	Office	44,889,123	5.01%
4 PRIME OLD COUNTY L P	Apartments	30,114,438	2.83%
5 ECI TWO BELMONT LLC	Office	24,969,554	2.35%
6 SRE CALIFORNIA-3 LLC	Auto/Sales Repair	20,950,977	1.28%
7 NAZARETH VISTA LLC	Nursing, Convalescent Home	16,926,739	1.97%
8 GRAND PRIX BELMONT LLC	Hotel	16,397,743	1.59%
9 BELMAR LESSEE	Hotel	15,678,098	1.54%
10 SAFEWAY INC	Supermarket	13,640,068	1.47%
Total		<u>\$284,534,393</u>	<u>26.73%</u>
secured taxable value		<u>\$1,064,558,175</u>	

(1) The secured taxable value of the Project Area for fiscal year 2012-2013 is \$1,064,558,175.

(2) The Taxable Values for 2013-2014 are unavailable from the County at time of publishing.

Source: City of Belmont and County of San Mateo Assessor's Office.

STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Assessed Value of Taxable Property
2. Direct and Overlapping Property Tax Rates
3. Principal Property Taxpayers
4. Property Tax Levies and Collections

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Computation of Direct and Overlapping Debt
3. Computation of Legal Bonded Debt Margin
4. Bonded Debt Pledged Revenue Coverage:
 - a. 2001 and 2006 Sewer Revenue Bonds
 - b. 2009 Sewer Revenue Bonds
 - c. Former Redevelopment Agency Bonds
5. Continuing Disclosure Requirements:
 - a. Sewer System Summary Statement of Historical Revenue and Expenditures
 - b. Ten Largest Users of the Sewer System
 - c. Number of Sewer Service Users
 - d. Sewer Service Revenues by Class of User
 - e. Schedule of Budgeted and Projected Sewer Treatment Facility Charges and Associated Debt Service
 - f. Community Facilities District No. 2000-1

STATISTICAL SECTION (Continued)
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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

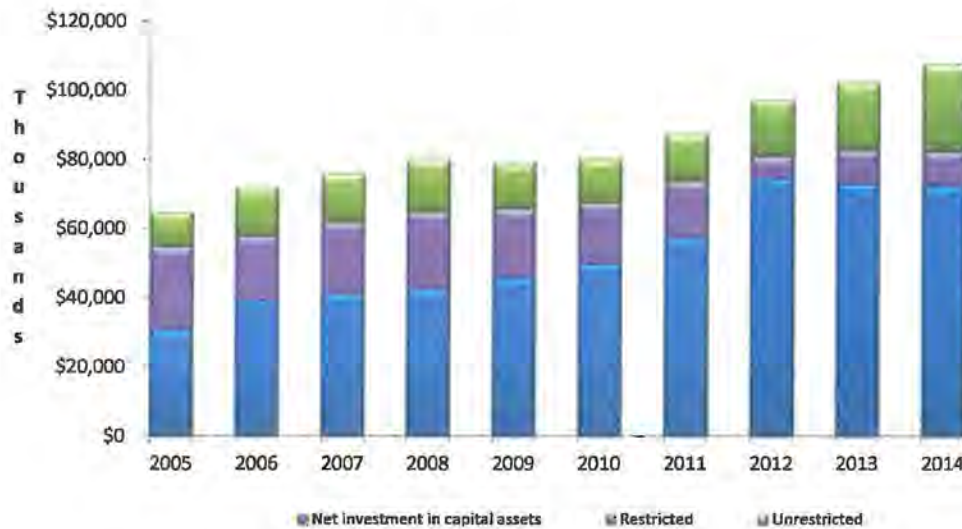
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

**CITY OF BELMONT
NET POSITION BY COMPONENT**

Last Ten Fiscal Years
(accrual basis of accounting)



	As of June 30,				
	2005	2006	2007	2008	2009
Governmental activities					
Net investment in capital assets	\$26,743,858	\$34,463,769	\$36,609,585	\$37,907,520	\$40,629,743
Restricted	23,995,337	18,786,081	20,578,294	21,900,387	19,967,386
Unrestricted	1,785,676	5,866,151	5,283,389	6,402,811	5,402,096
Total governmental activities	<u>\$52,524,871</u>	<u>\$59,116,001</u>	<u>\$62,471,268</u>	<u>\$66,210,718</u>	<u>\$65,999,225</u>
Business-type activities					
Net investment in capital assets	\$4,067,280	\$4,672,159	\$4,493,590	\$4,822,866	\$5,232,486
Unrestricted	8,135,595	8,129,224	8,887,596	8,791,485	7,897,583
Total business-type activities	<u>\$12,202,875</u>	<u>\$12,801,383</u>	<u>\$13,381,186</u>	<u>\$13,614,351</u>	<u>\$13,130,069</u>
Primary government					
Net investment in capital assets	\$30,811,138	\$39,135,928	\$41,103,175	\$42,730,386	\$45,862,229
Restricted	23,995,337	18,786,081	20,578,294	21,900,387	19,967,386
Unrestricted	9,921,271	13,995,375	14,170,985	15,194,296	13,299,679
Total primary government	<u>\$64,727,746</u>	<u>\$71,917,384</u>	<u>\$75,852,454</u>	<u>\$79,825,069</u>	<u>\$79,129,294</u>
	As of June 30,				
	2010	2011	2012	2013	2014
Governmental activities					
Net investment in capital assets	\$44,610,294	\$51,099,928	\$68,597,826	\$67,417,898	\$66,107,787
Restricted	17,775,049	16,586,360	6,464,610	6,722,358	6,664,041
Unrestricted	5,077,501	6,901,035	10,854,350	11,312,129	13,628,786
Total governmental activities	<u>\$67,462,844</u>	<u>\$74,587,323</u>	<u>\$85,916,786</u>	<u>\$85,452,385</u>	<u>\$86,400,614</u>
Business-type activities					
Net investment in capital assets	\$5,191,747	\$6,162,922	\$5,985,860	\$5,418,984	\$6,447,043
Restricted			\$3,061,696	\$3,108,105	3,108,838
Unrestricted	7,537,206	6,641,129	5,460,139	8,317,276	11,627,962
Total business-type activities	<u>\$12,728,953</u>	<u>\$12,804,051</u>	<u>\$14,507,695</u>	<u>\$16,844,365</u>	<u>\$21,183,843</u>
Primary government					
Net investment in capital assets	\$49,802,041	\$57,262,850	\$74,583,686	\$72,836,882	\$72,554,830
Restricted	17,775,049	16,586,360	8,989,839	9,830,463	9,772,879
Unrestricted	12,614,707	13,542,164	16,850,956	19,629,405	25,256,748
Total primary government	<u>\$80,191,797</u>	<u>\$87,391,374</u>	<u>\$100,424,481</u>	<u>\$102,296,750</u>	<u>\$107,584,457</u>

**CITY OF BELMONT
CHANGES IN NET POSITION**

**Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	As of June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities:										
General government	\$4,096,640	\$1,268,785	\$4,529,887	\$4,954,841	\$5,677,578	\$5,666,445	\$4,662,965	\$5,112,255	\$5,353,940	\$5,592,651
Public safety	11,801,530	12,640,829	14,273,000	14,070,190	15,261,129	15,247,908	15,258,130	17,461,677	18,000,012	19,429,456
Highways and streets	3,789,052	2,641,601	2,046,747	2,236,345	2,525,131	2,400,233	2,325,028	2,899,431	3,242,496	3,412,713
Culture and recreation	2,929,945	2,894,354	3,328,963	3,715,717	4,012,240	4,275,870	5,149,269	4,200,332	4,275,013	4,530,410
Urban redevelopment	2,064,023	2,223,524	5,720,001	6,277,898	7,957,410	7,707,191	10,358,587	5,014,387	1,885,099	2,295,295
Pass throughs and other	3,147,837	2,956,052								
Non-departmental			37,255	46,888						
Interest on long term debt	1,378,812	1,341,327	1,301,277	1,317,035	1,241,608	1,162,420	1,110,538	1,131,762	68,175	37,019
Total Governmental Activities Expenses	29,207,839	25,966,472	31,237,130	32,618,914	36,675,096	36,460,067	38,864,517	35,819,844	32,824,735	35,297,544
Business-Type Activities:										
Sewer	3,902,590	4,421,765	5,090,512	5,210,185	5,928,199	5,723,184	6,141,073	6,715,514	6,396,330	6,657,220
Storm drainage	1,095,985	1,209,652	1,092,906	1,145,322	1,279,059	1,245,911	1,171,429	1,338,902	1,214,535	1,236,911
Solid waste			326,776	385,663	433,811	590,927	308,251	469,298	1,482,005	459,967
Total Business-Type Activities Expenses	4,998,575	5,631,417	6,510,194	6,741,170	7,641,069	7,560,022	7,620,753	8,523,714	9,092,870	8,354,098
Total Primary Government Expenses	\$34,206,414	\$31,597,889	\$37,747,324	\$39,360,084	\$44,316,165	\$44,020,089	\$46,485,270	\$44,343,558	\$41,917,605	\$43,651,642
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$2,553,374	\$2,731,358	\$3,204,003	\$3,773,489	\$4,201,215	\$4,263,241	\$3,983,732	\$4,538,452	\$4,463,544	\$4,601,332
Public Safety	73,236	143,354	233,635	155,870	122,956	136,465	336,174	988,002	1,152,475	1,177,218
Highways and streets	312,720	185,895	291,250	467,733	386,769	876,185	878,107	437,020	382,904	459,815
Culture and recreation	1,367,880	1,481,296	1,609,326	1,767,990	1,759,776	1,820,050	1,977,149	1,967,792	2,087,336	2,130,365
Urban redevelopment	1,636,040	1,826,902	1,831,487	1,686,285	1,517,498	1,862,964	2,126,626	2,434,761	2,560,400	3,069,625
Pass throughs and other	849,661	711,528								
Operating Grants and Contributions	1,647,647	1,605,329	1,803,961	2,246,203	1,421,649	1,509,175	4,668,438	2,422,365	1,636,424	1,817,345
Capital Grants and Contributions	1,397,756	848,868	429,972	89,769	634,616	2,024,456	5,522,520	1,853,706	874,168	519,254
Total Government Activities	9,838,314	9,534,530	9,403,634	10,187,339	10,044,479	12,492,536	19,492,746	14,642,098	13,157,251	13,774,954
Business-Type Activities:										
Charges for Services:										
Sewer	4,321,210	4,935,969	5,596,542	5,739,551	6,096,887	6,272,616	6,600,870	9,422,274	10,086,878	11,290,621
Storm drainage	403,106	407,138	501,067	495,071	469,194	481,738	597,464	611,941	549,863	520,119
Solid Waste		634,219	373,815	345,496	373,815	373,815	476,073	710,295	781,612	867,710
Operating Grants and Contributions							10,750			
Capital Grants and Contributions				16,949	15,332	11,734				
Total Business-Type Activities	4,724,316	5,977,326	6,471,424	6,597,067	6,955,228	7,139,903	7,685,157	10,744,510	11,418,353	12,678,450
Program Revenue	4,724,316	5,977,326	6,471,424	6,597,067	6,955,228	7,139,903	7,685,157	10,744,510	11,418,353	12,678,450
Total Primary Government	\$14,562,630	\$15,511,856	\$15,875,058	\$16,784,406	\$16,999,707	\$19,632,439	\$27,177,903	\$25,386,608	\$24,575,604	\$26,453,404
Net (Expense)/Revenue										
Governmental Activities	(\$19,369,525)	(\$16,431,942)	(\$21,833,496)	(\$22,431,575)	(\$26,630,617)	(\$23,967,531)	(\$19,371,771)	(\$19,371,771)	(\$19,667,484)	(\$21,522,590)
Business-Type Activities	(274,259)	345,909	(38,770)	(144,103)	(685,841)	(420,119)	64,404	64,404	2,325,483	4,324,352
Total Primary Government Net Expense	(\$19,643,784)	(\$16,086,033)	(\$21,872,266)	(\$22,575,678)	(\$27,316,458)	(\$24,387,650)	(\$19,307,367)	(\$19,307,367)	(\$17,342,001)	(\$17,198,238)

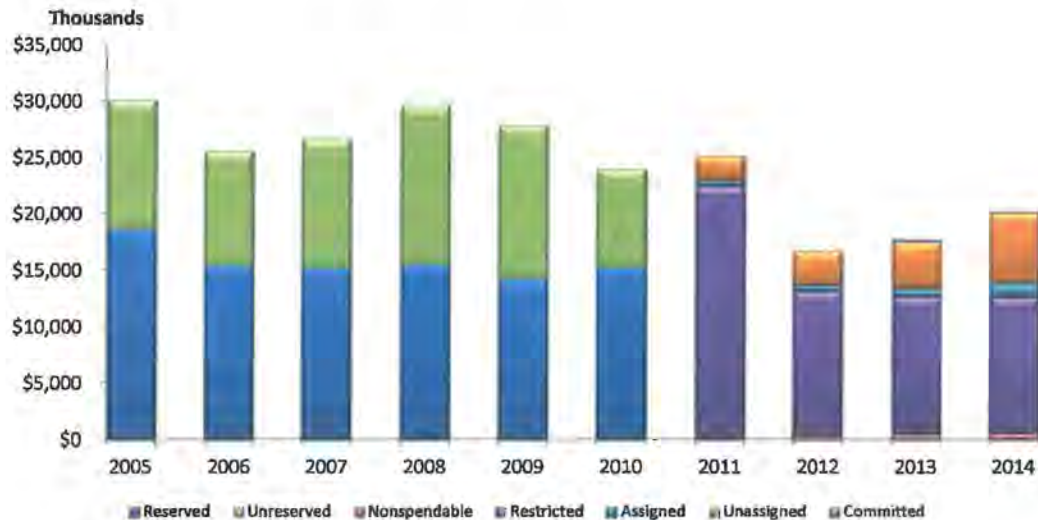
CITY OF BELMONT
CHANGES IN NET POSITION
 (continued)
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property taxes	\$7,307,464	\$7,677,608	\$8,643,311	\$8,941,253	\$9,387,465	9,456,013	\$9,620,923	\$10,439,407	\$10,918,478	\$11,864,792
Incremental property tax	6,839,996	7,071,632	7,726,963	8,231,934	9,027,090	9,010,978	8,601,933	4,681,674		
Sales taxes	2,688,514	2,796,354	3,191,162	3,136,339	2,988,491	2,281,523	2,596,652	2,672,956	2,792,298	2,831,248
Other taxes	1,916,133	2,260,882	2,219,057	2,456,236	1,183,901	2,068,073	2,481,620	2,738,707	3,017,599	3,260,000
Motor vehicle in lieu	1,539,818	2,254,703	1,874,436	1,918,321	1,994,403	2,033,410	2,050,697	1,973,958	1,941,735	2,168,184
Investment earnings	661,080	961,893	1,443,556	1,404,475	767,134	575,410	601,845	589,231	531,126	603,489
Miscellaneous/Gain on sale			90,278	82,467	45,595	5,986	542,580	105	1,847	1,743,106
Transfers	98,815									
Extraordinary items								9,338,566		
Total Government Activities	21,051,820	23,023,072	25,188,763	26,171,025	25,394,079	25,431,393	26,496,250	32,434,604	19,203,083	22,470,819
Business-Type Activities:										
Investment earnings	113,083	252,599	505,677	377,268	201,559	19,003	10,694	19,315	9,971	15,126
Transfers	(98,815)								1,216	
Total Business-Type Activities	14,268	252,599	505,677	377,268	201,559	19,003	10,694	19,315	11,187	15,126
Total Primary Government	\$21,066,088	\$23,275,671	\$25,694,440	\$26,548,293	\$25,595,638	\$25,450,396	\$26,506,944	\$32,453,919	\$19,214,270	\$22,485,945
Change in Net Position										
Governmental Activities	\$1,682,295	\$6,591,130	\$3,355,267	\$3,739,450	(\$1,236,538)	\$1,463,852	\$7,124,479	\$13,062,833	(\$464,401)	\$948,229
Business-Type Activities	(259,991)	598,508	466,907	233,165	(484,282)	(401,116)	75,098	83,719	2,336,670	4,339,478
Total Primary Government	\$1,422,304	\$7,189,638	\$3,822,174	\$3,972,615	(\$1,720,820)	\$1,062,746	\$7,199,577	\$13,146,552	\$1,872,269	\$5,287,707

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**CITY OF BELMONT
FUND BALANCES OF GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**



	Fiscal Year Ended June 30,				
	2005	2006	2007	2008	2009
General Fund					
Reserved	\$149,983	\$157,607	\$182,815	\$201,954	\$156,803
Unreserved	2,357,259	3,386,516	3,928,771	4,186,397	3,547,610
Total General Fund	<u>\$2,507,242</u>	<u>\$3,544,123</u>	<u>\$4,111,586</u>	<u>\$4,388,351</u>	<u>\$3,704,413</u>

All Other Governmental Funds					
Reserved	\$18,518,921	\$15,319,292	\$15,038,707	\$15,325,514	\$14,150,876
Unreserved, reported in:					
Special revenue funds	1,936,555	2,148,360	2,572,617	3,636,626	4,343,278
Debt Service funds		32	32		
Capital project funds	7,133,156	4,549,478	4,931,481	6,239,183	5,682,318
Total all other governmental funds	<u>\$27,588,632</u>	<u>\$22,017,162</u>	<u>\$22,542,837</u>	<u>\$25,201,323</u>	<u>\$24,176,472</u>

	Fiscal Year Ended June 30,				
	2010	2011	2012	2013	2014
General Fund					
Reserved	\$167,189				
Unreserved	2,161,740				
Nonspendable		53,375	\$374,379	\$504,390	\$568,336
Restricted			132,495		
Assigned					1,377,103
Unassigned		3,764,669	4,577,830	5,696,079	6,258,460
Total General Fund	<u>\$2,328,929</u>	<u>\$3,818,044</u>	<u>\$5,084,704</u>	<u>\$6,200,469</u>	<u>\$8,203,899</u>

All Other Governmental Funds					
Reserved	\$15,118,528				
Unreserved, reported in:					
Special revenue funds	5,383,453				
Debt Service funds					
Capital project funds	1,136,979				
Restricted		22,470,226	\$12,670,731	\$12,218,243	\$12,090,398
Committed				\$258,684	\$104,039
Assigned		459,615	506,504	706,293	1,213,342
Unassigned		(1,552,557)	(1,509,215)	(1,550,397)	
Total all other governmental funds	<u>\$21,638,960</u>	<u>\$21,377,284</u>	<u>\$11,668,020</u>	<u>\$11,632,823</u>	<u>\$13,407,779</u>

(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.

(b) Effective fiscal 2010-11, the City implemented GASB 54 which changed fund balance reporting.

CITY OF BELMONT
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS

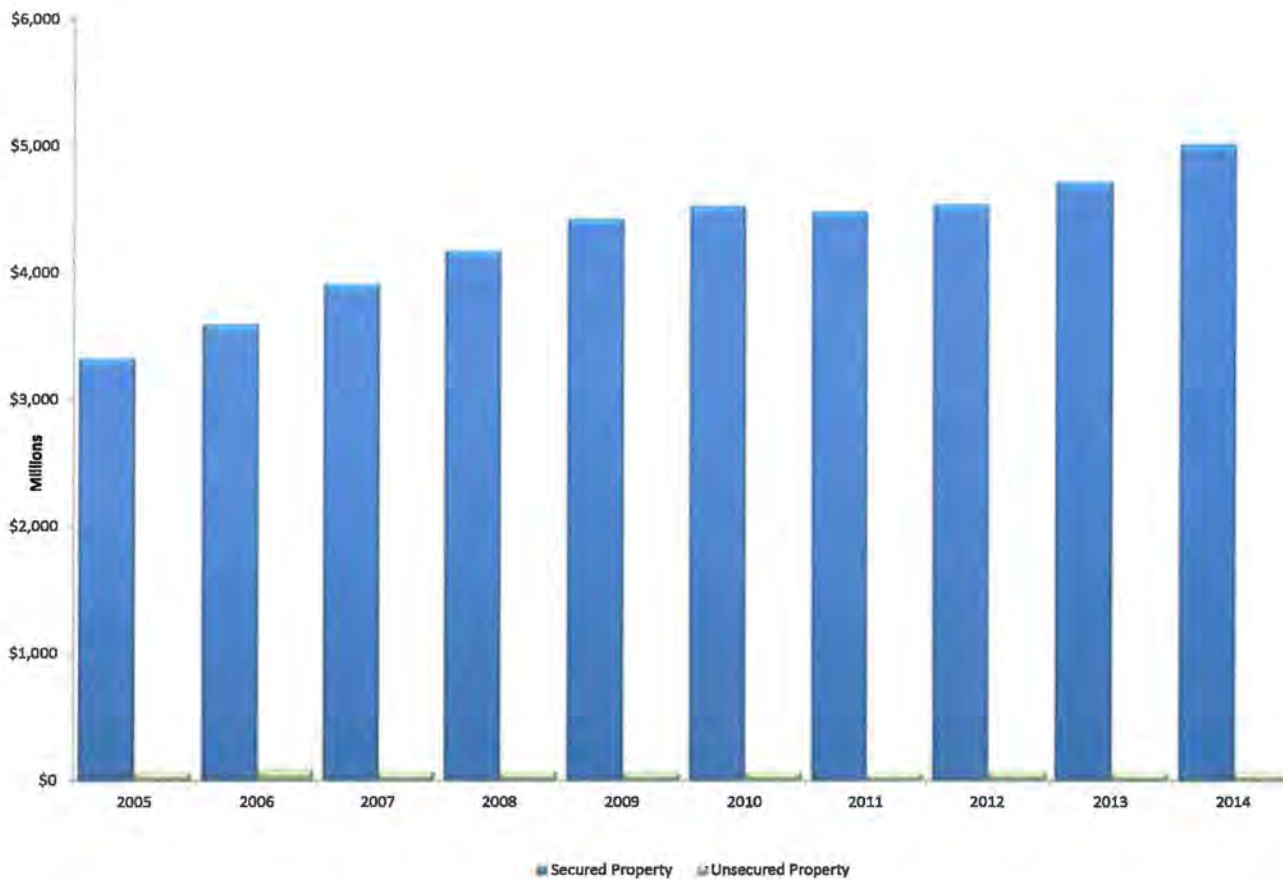
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,			
	2005	2006	2007	2008
Revenues				
Taxes	\$19,278,350	\$20,431,247	\$21,963,700	\$23,285,033
Licenses and permits	1,174,041	1,229,396	1,432,545	1,296,876
Fines and forfeitures	274,149	192,995	213,649	207,660
Use of money and property	755,123	998,381	1,409,605	1,281,420
Intergovernmental	4,028,518	4,405,907	4,390,388	4,444,376
Charges for current services	4,409,039	4,430,657	4,289,285	5,123,061
Miscellaneous	493,166	388,249	364,513	132,684
Total Revenues	30,412,386	32,076,832	34,063,685	35,771,110
Expenditures				
Current:				
General government	3,162,961	3,370,249	3,479,312	4,090,379
Public safety	11,562,652	12,783,687	14,457,394	13,745,815
Highways and streets	1,765,749	2,125,958	1,534,958	1,589,464
Culture and recreation	2,719,224	3,002,547	3,208,587	3,455,177
Urban redevelopment	1,964,839	2,088,600	5,742,209	6,201,146
Pass throughs and other	3,142,150	2,959,110		
Capital outlay	10,244,079	7,857,838	1,346,500	2,059,511
Debt service:				
Principal	813,909	841,608	824,318	864,026
Interest and fiscal charges	1,378,812	1,341,327	1,301,277	1,317,035
Total Expenditures	36,754,375	36,370,924	31,894,555	33,322,553
Excess (deficiency) of revenues over (under) expenditures	(6,341,989)	(4,294,092)	2,169,130	2,448,557
Other Financing Sources (Uses)				
Transfers in	3,162,563	4,421,738	2,180,531	3,030,121
Transfers (out)	(3,111,759)	(4,477,372)	(2,317,130)	(3,222,232)
Contributions/extraordinary item	9,946,221			
Proceeds from sale of capital assets				
Proceeds of debt issuance				
Total other financing sources (uses)	9,997,025	(55,634)	(136,599)	(192,111)
Net Change in fund balances	\$3,655,036	(\$4,349,726)	\$2,032,531	\$2,256,446
Debt service as a percentage of noncapital expenditures	7.9%	8.3%	7.0%	7.0%

Fiscal Year Ended June 30,					
2009	2010	2011	2012	2013	2014
\$24,015,223	\$23,551,448	\$24,078,694	\$21,103,658	\$17,464,202	\$18,781,620
1,296,955	1,333,536	1,409,968	1,599,765	1,443,249	1,665,790
218,511	189,187	397,841	411,116	513,511	298,584
702,711	483,653	434,131	439,248	394,871	420,581
4,198,134	5,580,333	11,811,178	6,426,997	4,569,617	4,594,173
5,465,178	6,233,038	6,773,004	6,621,335	6,780,019	7,466,219
143,292	149,981	151,098	685,537	788,182	835,735
36,040,004	37,521,176	45,055,914	37,287,656	31,953,651	34,062,702
4,218,287	4,338,325	3,738,652	3,910,215	4,001,340	3,967,090
14,739,794	15,016,366	14,973,374	16,284,197	17,261,172	18,527,071
1,821,815	1,742,021	1,676,044	1,818,655	2,053,990	1,843,701
3,697,783	4,038,979	4,885,875	3,864,383	3,949,834	4,162,256
7,767,199	7,512,659	10,245,438	4,402,467	1,817,983	1,949,465
3,808,785	6,569,057	9,591,505	3,722,422	1,245,112	1,425,306
900,000	955,000	1,005,000	1,192,547	213,581	97,907
1,241,608	1,162,420	1,110,538	1,131,762	68,175	37,019
38,195,271	41,334,827	47,226,426	36,326,648	30,611,187	32,009,815
(2,155,267)	(3,813,651)	(2,170,512)	961,008	1,342,464	2,052,887
1,574,020	1,795,891	4,771,786	1,873,574	1,512,645	1,458,800
(1,671,207)	(1,649,413)	(2,445,664)	(1,926,651)	(1,774,541)	(1,783,301)
		538,891	(9,025,535)		2,050,000
		532,938			
(97,187)	146,478	3,397,951	(9,078,612)	(261,896)	1,725,499
(\$2,252,454)	(\$3,667,173)	\$1,227,439	(\$8,117,604)	\$1,080,568	\$3,778,386
6.2%	6.0%	5.4%	7.0%	1.0%	0.4%

**CITY OF BELMONT
ASSESSED VALUE OF TAXABLE PROPERTY**

Last Ten Fiscal Years



Fiscal Year Ended June 30	Secured Property (a)		Unsecured Property		Total		Assessed to Estimated Actual Value	Increased From Prior Year	Total Direct Tax Rate (c)
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value (b)	Estimated Actual Value (b)			
2005	\$3,325,037,197	\$3,325,037,197	\$64,607,271	\$64,607,271	\$3,389,644,468	\$3,389,644,468	100%	6.73%	1%
2006	3,592,511,818	3,592,511,818	88,338,479	88,338,479	3,680,850,297	3,680,850,297	100%	8.59%	1%
2007	3,907,330,407	3,907,330,407	67,314,897	67,314,897	3,974,645,304	3,974,645,304	100%	7.98%	1%
2008	4,168,752,870	4,168,752,870	66,903,654	66,903,654	4,235,656,524	4,235,656,524	100%	6.57%	1%
2009	4,425,618,138	4,425,618,138	64,553,427	64,553,427	4,490,171,565	4,490,171,565	100%	12.97%	1%
2010	4,528,776,250	4,528,776,250	69,208,395	69,208,395	4,597,984,645	4,597,984,645	100%	15.68%	1%
2011	4,482,561,741	4,482,561,741	53,259,529	53,259,529	4,535,821,270	4,535,821,270	100%	1.02%	1%
2012	4,536,659,018	4,536,659,018	72,485,607	72,485,607	4,609,144,625	4,609,144,625	100%	0.24%	1%
2013	4,712,109,574	4,712,109,574	59,006,643	59,006,643	4,771,116,217	4,771,116,217	100%	5.19%	1%
2014	5,013,618,086	5,013,618,086	61,287,931	61,287,931	5,074,906,017	5,074,906,017	100%	6.37%	1%

SOURCES: SAN MATEO COUNTY CONTROLLER

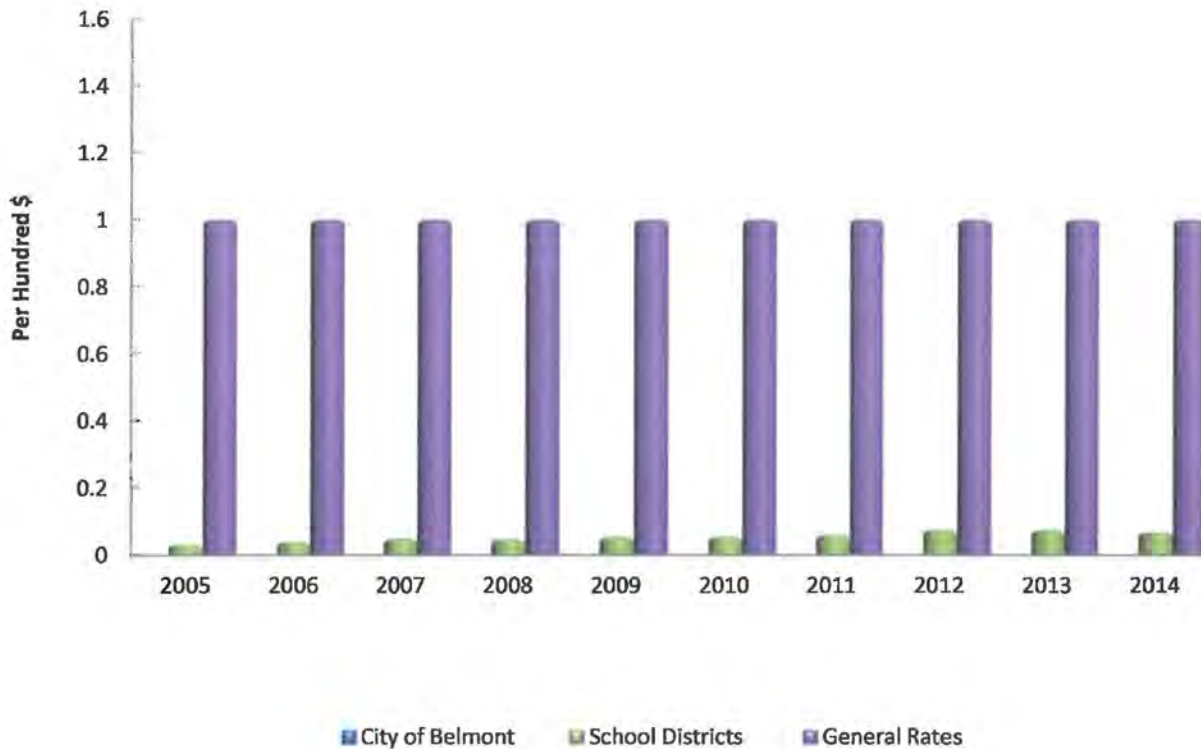
(a) Secured Property includes State Board Roll (Unitary tax)

(b) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.

(c) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area. The City of Belmont encompasses more than 15 tax rate areas.

**CITY OF BELMONT
DIRECT AND OVERLAPPING PROPERTY TAX RATES**

Last Ten Fiscal Years



Fiscal Year	City of Belmont	School Districts	General Rates	Total
2005	N/A	0.0328	1.0000	1.0328
2006	N/A	0.0395	1.0000	1.0395
2007	N/A	0.0485	1.0000	1.0485
2008	N/A	0.0463	1.0000	1.0463
2009	N/A	0.0531	1.0000	1.0531
2010	N/A	0.0542	1.0000	1.0542
2011	N/A	0.0596	1.0000	1.0596
2012	N/A	0.0754	1.0000	1.0754
2013	N/A	0.0747	1.0000	1.0747
2014	N/A	0.0690	1.0000	1.0690

Source: San Mateo County Controller - Rates are per \$100 of assessed value.

**CITY OF BELMONT
PRINCIPAL PROPERTY TAXPAYERS**

Prior Year and Ten Years Ago

Taxpayer	2012-13 (1)			2004-05		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Hines VAF II 600 Clipper LP	\$53,333,240	1	1.06%			
Oracle Corporation	47,634,413	2	0.95%	\$40,133,371	2	1.18%
Nikon Precision Inc.	44,889,123	3	0.90%	39,288,953	3	1.16%
Prime Old County LP	30,114,438	4	0.60%			
Essex Carlmont Woods Apartment LP	27,058,951	5	0.54%			
SSL Landlord LLC	26,928,000	6	0.54%			
ECI Two Belmont LLC	24,969,554	7	0.50%			
SRE	20,950,977	8	0.42%			
Safeway Inc.	18,508,685	9	0.37%	17,333,582	7	0.51%
Nazareth Vista (formerly Paradigm Healthcare LP)	16,926,739	10	0.34%	14,345,446	8	0.42%
1001 E Hillsdale LLC				42,214,307	1	1.25%
Six Hundred Clipper Drive LLC				29,300,000	4	0.86%
Innkeepers Summerfield General				22,175,190	5	0.65%
Davis Associates				21,750,528	6	0.64%
Balmar Lessee				13,578,917	9	0.40%
Sunrise Belmont Assisted Living				13,572,400	10	0.40%
Subtotal	<u>\$311,314,120</u>		<u>6.21%</u>	<u>\$253,692,694</u>		<u>7.48%</u>

Total Net Assessed Valuation:

Fiscal Year 2012-13	\$5,013,524,006
Fiscal Year 2004-05	\$3,389,644,468

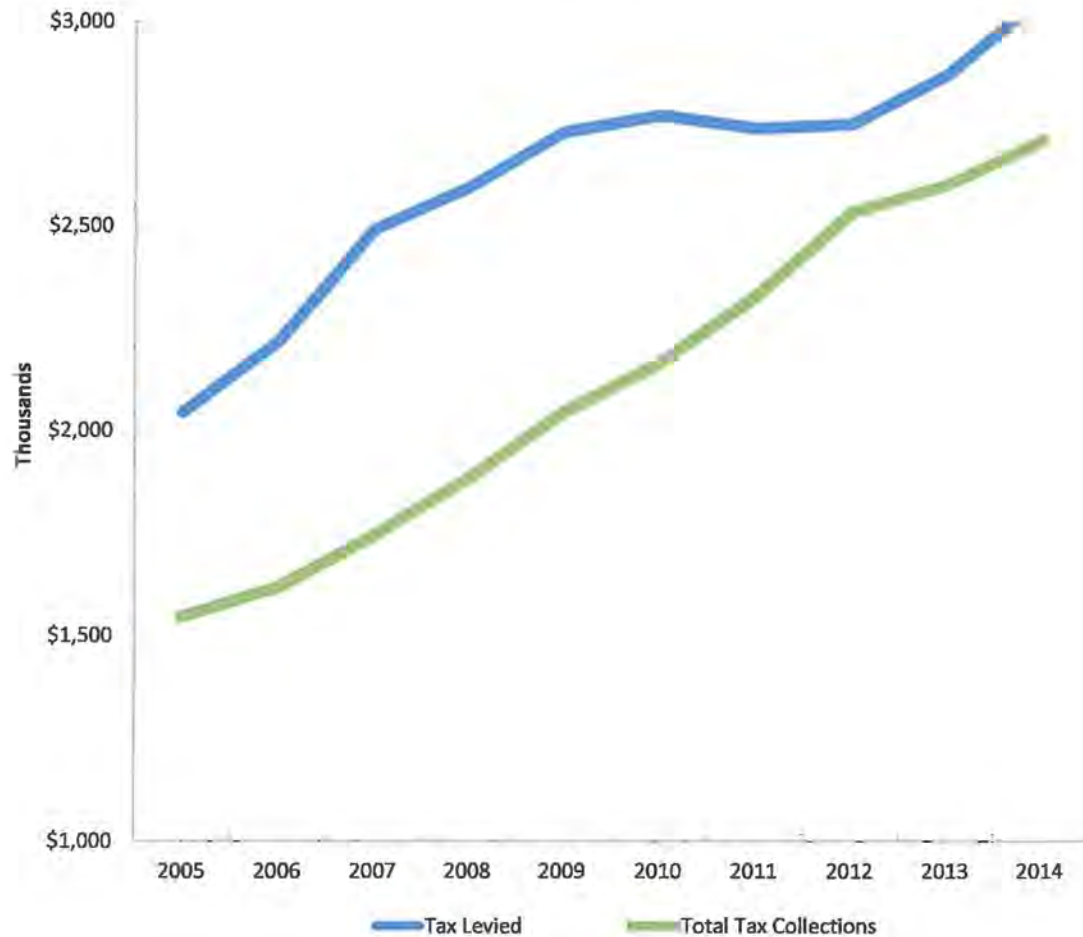
Source: County of San Mateo Assessor's Office Fiscal Year Combined Secured Tax Rolls.

Note:

(1) The Taxable Assessed Value for 2013-14 was not available from the County of San Mateo.

**CITY OF BELMONT
PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Fiscal Years



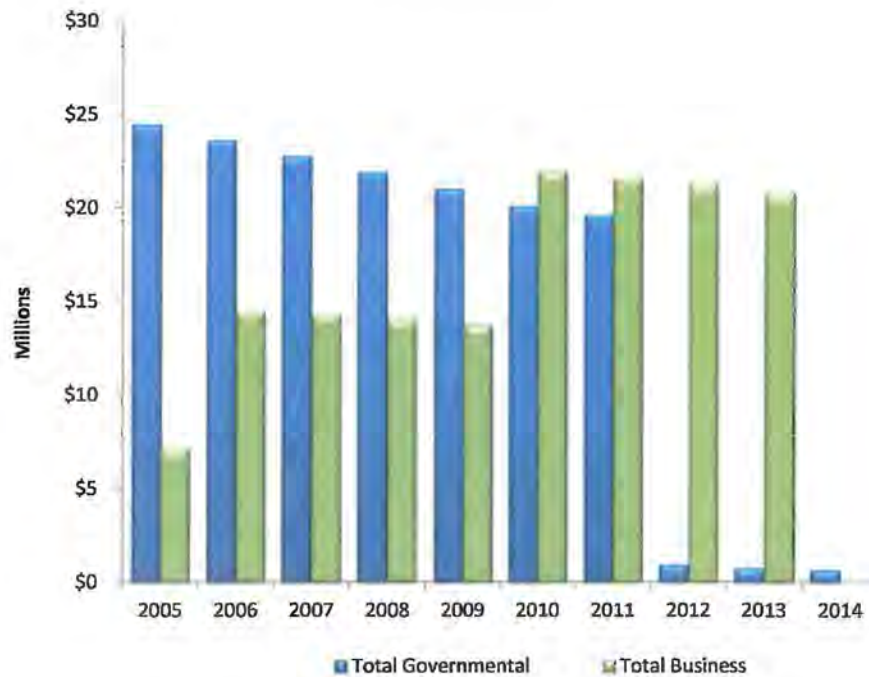
Fiscal Year	Total Tax Levy (1)	Current Tax Collections (2)	Percent of Levy Collected	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2005	\$2,044,578	\$2,044,578	100.00%	\$2,044,578	100.00%
2006	2,216,590	2,166,309	97.73%	2,166,309	97.73%
2007	2,490,855	2,327,329	93.43%	2,327,329	93.43%
2008	2,594,562	2,533,629	97.65%	2,533,629	97.65%
2009	2,729,756	2,600,906	95.28%	2,600,906	95.28%
2010	2,770,546	2,708,778	97.77%	2,708,778	97.77%
2011	2,739,073	2,709,417	98.92%	2,709,417	98.92%
2012	2,748,894	2,687,885	97.78%	2,687,885	97.78%
2013	2,870,820	2,798,324	97.47%	2,798,324	97.47%
2014	3,062,643	3,018,311	98.55%	3,018,311	98.55%

Source: (1) San Mateo County Controller.
(2) City of Belmont General Ledger

Note: Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California.
(a) During fiscal year 1995, the County began providing the City 100% of its tax levy under an agreement which allows the County to keep all interest and delinquency charges collected.

**CITY OF BELMONT
RATIO OF OUTSTANDING DEBT BY TYPE**

Last Ten Fiscal Years



Governmental Activities

Fiscal Year	Tax Allocation Bonds	Leases and Notes	Total
2005	\$24,270,000	\$184,833	\$24,454,833
2006	23,485,000	128,225	23,613,225
2007	22,665,000	123,907	22,788,907
2008	21,805,000	119,881	21,924,881
2009	20,905,000	119,881	21,024,881
2010	19,950,000	119,881	20,069,881
2011	18,945,000	652,819	19,597,819
2012		966,971	966,971
2013		753,390	753,390
2014		655,483	655,483

Business-Type Activities

Fiscal Year	Sewer Revenue Bonds	Total	Total Primary Government	Percentage of Assessed Valuation (a)	Per Capita (a)
2005	\$7,130,000	\$7,130,000	\$31,584,833	0.93%	\$1,240.08
2006	14,490,000	14,490,000	38,103,225	1.04%	1,502.26
2007	14,340,000	14,340,000	37,128,907	0.93%	1,433.71
2008	14,040,000	14,040,000	35,964,881	0.85%	1,379.13
2009	13,735,000	13,735,000	34,759,881	0.77%	1,324.19
2010	21,920,000	21,920,000	41,989,881	0.91%	1,584.11
2011	21,595,000	21,595,000	41,192,819	0.91%	1,582.45
2012	21,250,000	21,250,000	22,216,971	0.48%	850.48
2013	20,740,000	20,740,000	21,493,390	0.45%	816.74
2014	20,210,000	20,210,000	20,865,483	0.41%	785.63

Note : Debt amounts exclude any premiums, discounts, or other amortization amounts.

Sources: City of Belmont

State of California, Department of Finance (population)

U.S. Department of commerce, Bureau of the Census (Income)

(a) (Demographic Statistics) for assessed value and population data.

**CITY OF BELMONT
COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

June 30, 2014

2012-13 Assessed Valuation	\$5,013,618,086
Redevelopment Incremental Valuation	<u>965,745,674</u>
Adjusted Assessed Valuation	<u><u>\$4,047,872,412</u></u>

	Total Debt June 30, 2014	% Applicable (1)	City's Share of Debt June 30, 2014
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			
City of Belmont	<u>655,483</u>	100.000%	<u>655,483</u>
Total Direct Debt	<u>655,483</u>		<u>655,483</u>
San Mateo Community College District	\$563,069,994	3.256%	\$18,333,559
Sequoia Union High School District	328,635,000	7.829%	25,728,834
Belmont-Redwood Shores School District	32,384,348	46.009%	14,899,715
Belmont-Redwood Shores School District Belmont School Facilities Improvement District	34,965,000	81.329%	28,436,685
Belmont-Redwood Shores School District Redwood Shores School Facilities Improvement District	<u>23,115,000</u>	6.303%	<u>1,456,938</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	<u>\$982,824,825</u>		<u>\$89,511,214</u>
OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
San Mateo County General Fund Obligations	\$473,769,816	3.256%	\$15,425,945
San Mateo County Board of Education Certificates of Participation	<u>10,950,000</u>	3.256%	<u>356,532</u>
TOTAL OVERLAPPING GENERAL FUND OBLIGATION DEBT	<u>\$484,719,816</u>		<u>\$15,782,477</u>
COMBINED TOTAL DEBT			<u>\$105,293,691 (2)</u>

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the city.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

RATIOS TO 2012-13 ASSESSED VALUATION:	
Direct Debt	1.79%
Combined Direct Debt (\$8,095,000)	2.10%
Total Net Direct and Overlapping Tax Assessment Debt	1.79%

RATIOS TO ADJUSTED ASSESSED VALUATION	
Combined Total Debt	2.60%

Source: California Municipal Statistics, Inc.

Note: The Taxable Assessed Value for 2013-14 was not available from the County of San Mateo

**CITY OF BELMONT
COMPUTATION OF LEGAL BONDED DEBT MARGIN**

June 30, 2014

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$5,013,618,086
---	-----------------

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$188,010,678
---	---------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt

Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	
---	--

Amount of debt subject to limit

LEGAL BONDED DEBT MARGIN	\$188,010,678
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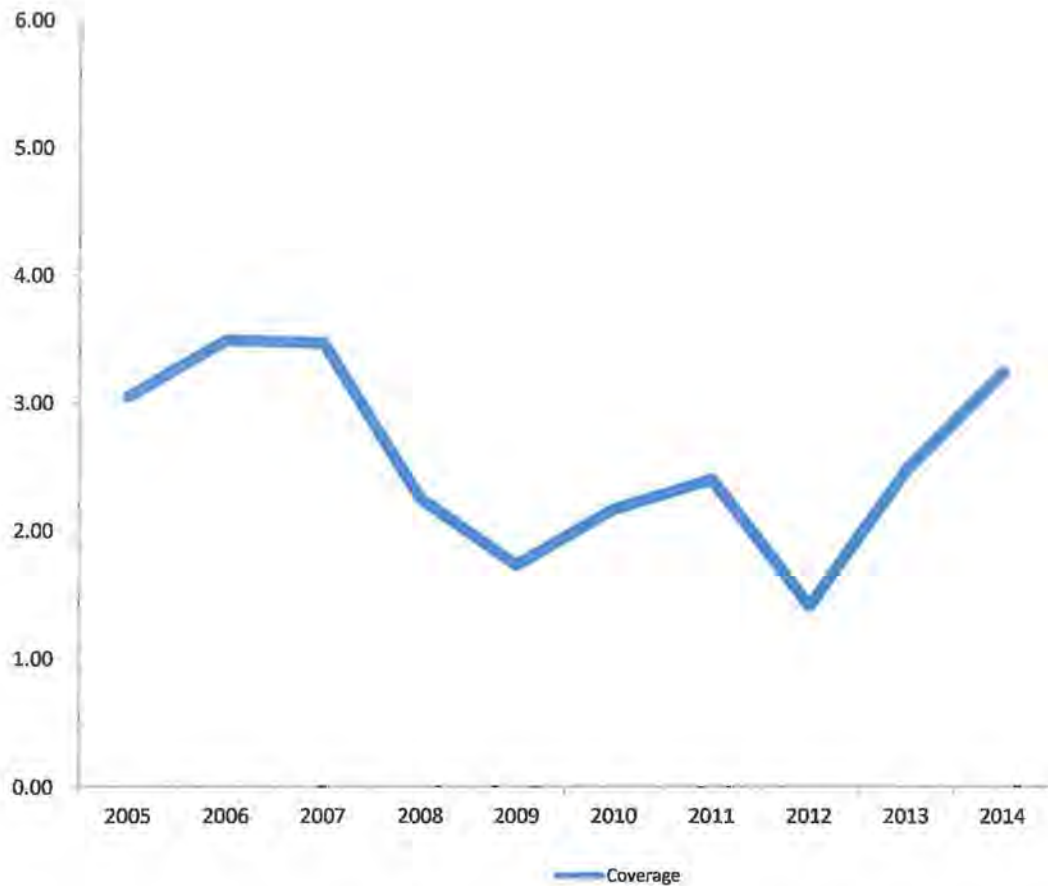
Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2004	\$122,576,676		\$122,576,676	
2005	134,711,118		134,711,118	
2006	139,501,151		139,501,151	
2007	150,528,754		150,528,754	
2008	160,309,797		160,309,797	
2009	169,829,109		169,829,109	
2010	153,960,708		153,960,708	
2011	171,557,050		171,557,050	
2012	174,296,071		174,296,071	
2013	180,356,146		180,356,146	
2014	188,010,678		188,010,678	

NOTE:

- (a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value. Limits presented from prior years have been adjusted for this methodology.

**CITY OF BELMONT
REVENUE BOND COVERAGE
2001 AND 2006 SEWER REVENUE BONDS**

Last Ten Fiscal Years



Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2005	\$4,412,204	\$2,920,769	\$1,491,435	\$145,000	\$344,467	\$489,467	3.05
2006	5,143,811	3,473,611	1,670,200	140,000	338,232	478,232	3.49
2007	6,082,447	3,414,969	2,667,478	150,000	619,541	769,541	3.47
2008	6,413,549	4,302,573	2,110,976	300,000	637,064	937,064	2.25
2009	6,171,148	4,556,397	1,614,751	305,000	629,009	934,009	1.73
2010	6,364,629	4,377,200	1,987,429	315,000	601,354	916,354	2.17
2011	6,768,061	4,555,159	2,212,902	325,000	597,926	922,926	2.40
2012	6,316,841	5,011,347	1,305,494	345,000	583,870	928,870	1.41
2013	6,898,806	4,610,335	2,288,471	355,000	569,185	924,185	2.48
2014	7,867,359	4,876,816	2,990,543	370,000	553,972	923,972	3.24

Notes: Sewer Bonds issued in fiscal 2001 and 2006

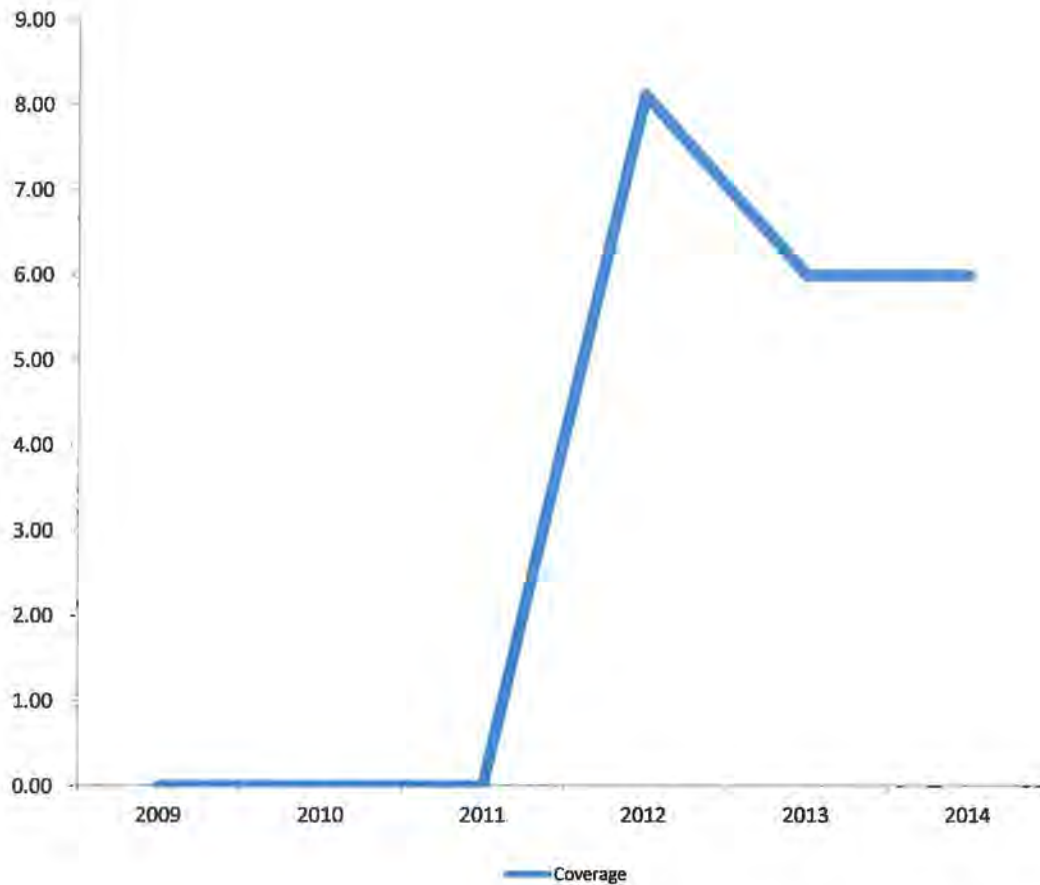
(1) Includes all Sewer Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenue

(2) Includes all Sewer Operating Expenses less Depreciation and Interest

Source: City of Belmont Annual Financial Statements

**CITY OF BELMONT
REVENUE BOND COVERAGE
2009 SEWER REVENUE BONDS**

Last Six Fiscal Years

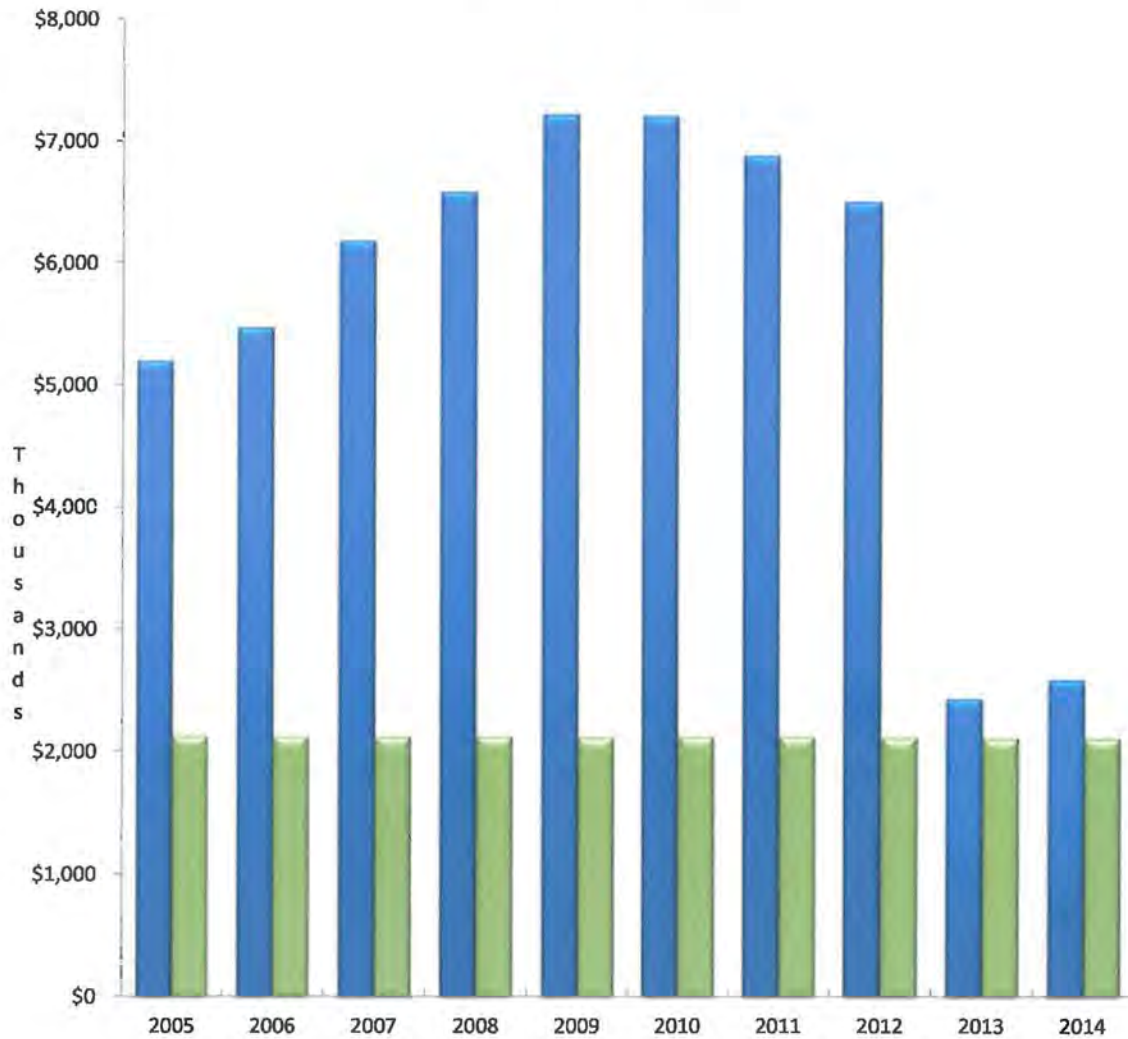


Fiscal Year	Sewer Treatment Facility Gross Revenue	Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2009							Nil
2010							Nil
2011							Nil
2012	\$3,061,696	\$201,006	\$2,860,690		\$352,132	\$352,132	8.12
2013	3,108,898	78,964	3,029,934	\$155,000	349,807	504,807	6.00
2014	3,111,925	79,127	3,032,798	160,000	345,082	505,082	6.00

Notes: Debt service on the 2009 bonds is repayable from bond proceeds until fiscal 2011-12 and has been excluded
Source: City of Belmont Annual Financial Statements

**CITY OF BELMONT
BONDED DEBT PLEDGED REVENUE COVERAGE
FORMER REDEVELOPMENT AGENCY BONDS**

Last Ten Fiscal Years



Fiscal Year	Tax Revenue (a)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2005	\$5,195,023	\$750,000	\$1,373,629	\$2,123,629	2.45
2006	5,470,328	785,000	1,336,599	2,121,599	2.58
2007	6,181,571	820,000	1,297,408	2,117,408	2.92
2008	6,585,547	860,000	1,255,551	2,115,551	3.11
2009	7,221,672	900,000	1,210,704	2,110,704	3.42
2010	7,208,782	955,000	1,162,420	2,117,420	3.40
2011	6,881,547	1,005,000	1,110,538	2,115,538	3.25
2012	6,503,336	1,055,000	1,054,782	2,109,782	3.08
2013	2,430,695	1,110,000	994,608	2,104,608	1.15
2014	2,589,571	1,175,000	929,957	2,104,957	1.23

Notes:

(a) Tax Incremental Revenues are no longer allocated to Redevelopment Agencies, effective January 31, 2012. Effective February 1, 2012, the Successor Agency had assumed all obligations of the Redevelopment Agency. Pursuant to law, the Successor Agency receives Real Property Tax Trust Funds Allocations to finance its activities including debt service on obligations of the former Redevelopment Agency.

Source: City of Belmont Annual Financial Statements

**CITY OF BELMONT
SEWER SYSTEM
SUMMARY STATEMENT OF HISTORICAL
REVENUE AND EXPENDITURES
Last Ten Fiscal Years**

		Fiscal Year Ended June 30,				
	Notes	2005	2006	2007	2008	2009
REVENUES						
Charges for services		\$4,234,406	\$4,930,719	\$5,595,212	\$5,732,551	\$6,071,012
Connection charges	(1)	86,804	5,250	1,330		
Miscellaneous revenues (charges)				335		3,508
Interest revenue	(1)	90,994	207,842	485,570	361,664	193,335
Joint venture interest	(1)	(1,188)	(2,001)	(479,133)	312,334	(119,074)
Total Revenues		4,411,016	5,141,810	5,603,314	6,406,549	6,148,781
EXPENSES						
Personnel services		452,132	476,608	505,416	982,077	1,095,601
Supplies, materials and services		1,559,643	1,470,573	1,583,845	2,932,381	3,141,850
Sewer treatment services		1,142,613	973,588	1,325,708	388,115	318,946
Interest expense		350,701	344,467	629,467	631,814	635,511
Total Expenses		3,505,089	3,265,236	4,044,436	4,934,387	5,191,908
Total Operating Transfers	(2)	895,756	(842,573)	(843,372)	(1,520,660)	(1,776,533)
AMOUNTS AVAILABLE FOR DEBT SERVICE		\$1,801,683	\$1,034,001	\$715,506	(\$48,498)	(\$819,660)

		Fiscal Year Ended June 30,				
		2010	2011	2012	2013	2014
REVENUES						
Charges for services		\$6,270,866	\$6,430,195	\$6,153,537	\$6,851,049	\$8,054,697
Connection charges	(1)					
Miscellaneous revenues (charges)		(9,168)	682	(9,168)	871	500
Interest revenue	(1)	17,059	9,641	17,358	8,605	11,726
Joint venture interest	(1)	74,954	157,550	(59,163)	(88,572)	(326,150)
Total Revenues		6,353,711	6,598,068	6,102,564	6,771,953	7,740,773
EXPENSES						
Personnel services		1,050,884	1,119,718	1,208,295	1,105,207	1,137,123
Supplies, materials and services		3,025,430	3,138,386	3,424,741	3,347,179	3,535,644
Sewer treatment services		291,718	297,737	168,137	158,820	204,549
Interest expense		783,162	592,244	577,839	562,980	547,501
Total Expenses		5,151,194	5,148,085	5,379,012	5,174,186	5,424,817
Total Operating Transfers	(2)	(1,776,528)	1,178,759	(1,020,405)	(704,024)	(547,775)
AMOUNTS AVAILABLE FOR DEBT SERVICE		(\$574,011)	\$2,628,742	(\$296,853)	\$893,743	\$1,768,181

Notes:

(1) Not included in System Revenues under the Installment Purchase Agreement

(2) Includes transfers for storm drain improvements that mitigate infiltration and intrusion into the sewage system.

Source: City of Belmont

**CITY OF BELMONT
TEN LARGEST USERS OF THE SEWER SYSTEM**

<u>User</u>		<u>Type</u>	<u>Fiscal Year 2013/14 Revenues*</u>
Prime Old County LP	040-271-380	Multifamily Residential	\$136,770
Mc Lellan Estate Co	040-290-310	Multifamily Residential	102,463
Mc Lellan Estate Co	040-246-300	Multifamily Residential	80,011
Mc Lellan Estate Co	040-261-370	Multifamily Residential	71,555
Essex Carlmont Woods Apartments LP	045-431-010	Multifamily Residential	64,961
Carlmont Heights Llc	045-030-240	Multifamily Residential	52,734
Timberlane Apts Partnership LP	045-373-150	Multifamily Residential	52,172
Belmar Lessee	040-371-090	Commercial - Hotel	49,242
Essex Portfolio LP	045-373-160	Multifamily Residential	42,738
College of Notre Dame	044-360-070	College	42,124

* Includes Base and Flow Charges

Source: City of Belmont

Required per 2001 Sewer Revenue Bonds Continuing Disclosure.

NUMBER OF SEWER SERVICE USERS

<u>User Type</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
All Users	8,352 (1)	8,267 (1)	8,268 (1)	8,250 (3)	8,415
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
All Users	8,254 (2)	8,245 (2)	8,242	8,243	8,242

(1) Increase due to a change in billing procedures to include all parcels, developed or undeveloped

(2) Decline due to a change from a flat rate to a metered rate system.

(3) Decline due to adjustment of consolidated parcels.

**SEWER SERVICE REVENUES BY CLASS OF USER
June 30, 2014**

<u>User Class</u>	<u>Revenue</u>	<u>Percent</u>
Single Family & Multiple Family Residential	\$2,313,288	62.9%
Commercial/Institutional	1,364,586	37.1%
Total Revenue	<u>\$3,677,874</u>	<u>100.00%</u>

**CITY OF BELMONT
SCHEDULE OF BUDGETED & PROJECTED
SEWER TREATMENT FACILITY CHARGES
AND ASSOCIATED DEBT SERVICE**

Fiscal Year	Actual			
	2010-11	2011-12	2012-13	2013-14
Sewer Treatment Facility Charges Revenue ^(A)	n/a	\$3,061,696	\$3,108,105	\$3,108,838
Debt Service Series 2009A Bonds	(\$352,131)	(352,131)	(504,806)	(505,081)
Surplus, after debt service	n/a	2,709,565	2,603,299	2,603,757
Debt Service Coverage Ratio	n/a	869.476%	615.700%	615.513%

Fiscal Year	Projected			
	2014-15	2015-16	2016-17	2017-18
Sewer Treatment Facility Charges Revenue ^(A)	\$3,109,340	\$3,109,841	\$3,110,343	\$3,110,845
Debt Service Series 2009A Bonds	(505,206)	(500,256)	(500,231)	(500,056)
Surplus, after debt service	2,604,134	2,609,585	2,610,112	2,610,789
Debt Service Coverage Ratio	615.460%	621.650%	621.781%	622.100%

^(A) Not including amounts on deposit in the Rate Stabilization Fund.

If such amounts were added to revenues, debt service coverage would be higher than shown.

Collection of Charge began in 2011-12.

Required per 2009 Sewer Treatment Facility Revenue Bonds Continuing Disclosure.

**COMMUNITY FACILITIES DISTRICT NO. 2000-1 OF THE CITY OF BELMONT
CONTINUING DISCLOSURES**

June 30, 2014

Bond Principal Outstanding - August 1, 2014 \$6,605,000

Balance Outstanding by Fund - August 1, 2014

(surety bond w/
\$1 Ambac no value)

Reserve Fund

Maximum Debt Service Coverage

Year Ending August 1,	Net Taxes	Bond Debt Service	Debt Service Coverage
2004	\$855,013.15	\$328,750.00	2.60
2005	840,459.85	650,000.00	1.29
2006	848,544.45	645,000.00	1.32
2007	856,703.50	642,200.00	1.33
2008	864,937.60	640,300.00	1.35
2009	873,247.39	640,400.00	1.36
2010	881,633.49	640,425.00	1.38
2011	890,096.52	639,925.00	1.39
2012	898,637.11	643,900.00	1.40
2013	907,255.90	642,088.00	1.41
2014	915,953.53	644,163.00	1.42
2015	924,730.64	644,788.00	1.43
2016	933,587.86	639,550.00	1.46
2017	942,525.86	643,738.00	1.46
2018	951,545.28	641,775.00	1.48
2019	960,646.78	638,950.00	1.50
2020	969,831.02	640,263.00	1.51
2021	979,098.65	640,425.00	1.53
2022	988,450.35	644,438.00	1.53
2023	997,886.77	642,013.00	1.55
2024	1,007,408.60	643,438.00	1.57
2025	1,017,016.51	643,425.00	1.58
2026	1,026,711.17	641,975.00	1.60
2027	1,036,493.27	644,088.00	1.61
2028	1,046,363.49	644,475.00	1.62
2029	1,056,322.51	643,138.00	1.64
2030	1,066,371.04	645,075.00	1.65
Total	\$25,537,472.29	\$17,038,705.00	1.50

Special Tax Levy Delinquency Rate - June 30, 2014 0.05% (a)

Status of Foreclosure Actions on Special Tax Levy in Excess of \$10,000 None

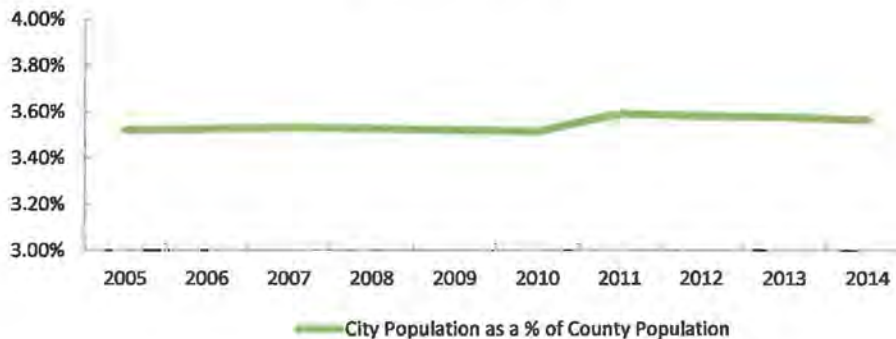
Special Tax Delinquency in Excess of 5% of Total Levy			
Owner	Land Use	Special Tax	Total Special Tax
None	N/A	N/A	N/A

Changes to Tax Rate and Method of Apportionment None

Supplemental California Debt and Investment Advisory
Commission Reporting None

CITY OF BELMONT DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years



Fiscal Year	City Population	Assessed Valuation	San Mateo County Population	City Population % of County
2005	\$25,470	\$3,389,644,468	\$723,453	3.52%
2006	25,364	3,680,850,297	719,655	3.52%
2007	25,897	3,974,645,304	733,496	3.53%
2008	26,078	4,235,656,524	739,469	3.53%
2009	26,250	4,490,171,565	745,858	3.52%
2010	26,507	4,597,984,645	754,285	3.51%
2011	26,031	4,535,821,270	724,702	3.59%
2012	26,123	4,609,144,625	729,443	3.58%
2013	26,316	4,771,116,217	735,678	3.58%
2014	26,559	5,074,906,017	745,193	3.56%
	2008-2012	2006-2010	2005-2009	
Per Capita Income:	\$52,892	\$52,376	\$52,509	
Unemployment Rate:				
Male:	7.57%	6.16%	4.39%	
Female:	5.49%	5.57%	4.72%	
Total Personal Income:	\$103,083	\$99,913	\$98,598	

Source: California State Department of Finance
County of San Mateo Controller's Office
www.usa.com

**CITY OF BELMONT
PRINCIPAL EMPLOYERS**

Fiscal 2013-2014

Employer	Range Number of Employees
ORACLE AMERICA, INC.	565
CENGAGE LEARNING, INC.	338
SAFEWAY STORE	306
SUNEDISON	150
NIKON PRECISION INC.	139
AUTOBAHN MOTORS	120
CARLMONT GARDENS NURSING CENTER	98
JAMES ELECTRONICS, LTD.	84
SILVERADO SR LIVING BELMONT HILLS	73
LUNARDI'S MARKET	73

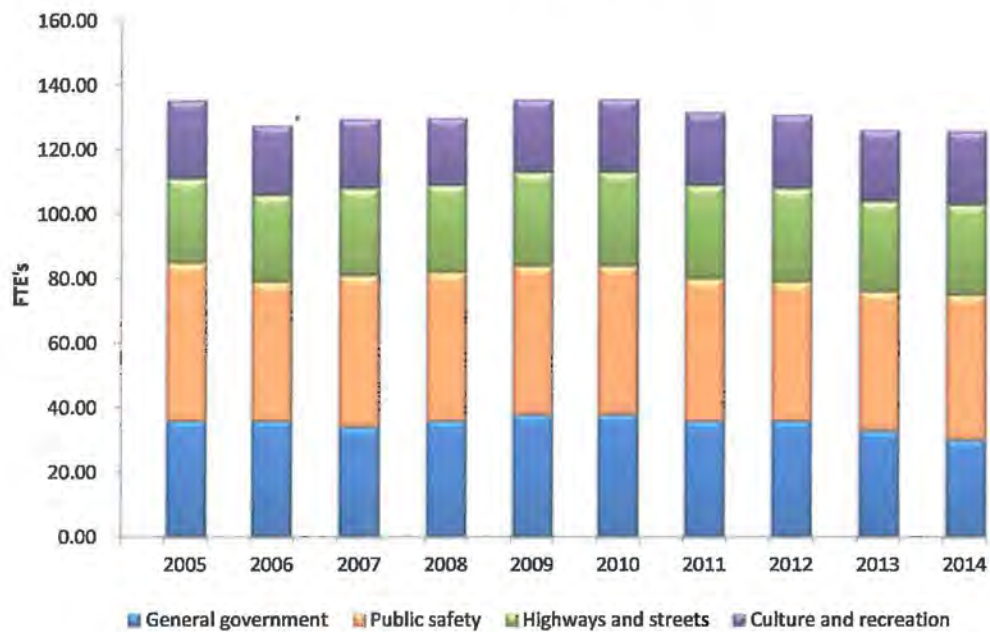
Source: City of Belmont Finance, Business License

Note: Data not available for ranking or total employment, or
for nine years prior.

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CITY OF BELMONT
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years



Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	36.00	36.00	34.00	36.00	38.00	38.00	36.00	36.00	33.00	30.00
Public safety	49.00	43.00	47.00	46.00	46.00	46.00	44.00	42.00	43.00	45.00
Highways and streets	26.00	27.00	27.00	27.00	29.00	29.00	29.00	29.00	28.00	28.00
Culture and recreation	24.40	21.65	21.65	20.90	22.65	22.65	22.65	22.85	22.10	22.85
Total	135.40	127.65	129.65	129.90	135.65	135.65	131.65	130.85	126.10	125.85

Source: City of Belmont Budget FY 2014

CITY OF BELMONT
OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	Fiscal Year Ended June 30			
	2005	2006	2007	2008
Function/Program				
Public safety:				
Belmont Fire Department (established October 1, 2011) (2)				
Fire calls for service				
Annual Fire Inspections				
New Business License Inspections				
Plan Checks				
Police:				
Police calls for service	N/A	23,289	21,505	20,905
Law violations:				
Part I crimes	N/A	2,327	2,140	2,869
Physical arrests (adult and juvenile)	N/A	667	470	521
Traffic violations (1)	N/A	3,471	4,070	2,313
Parking violations	N/A	2,127	2,509	2,735
Public works				
Street resurfacing (miles)	0.2	0.2	0.5	13.8
Culture and recreation:				
Community Services:				
Recreation class participants	N/A	18,757	22,070	26,205
Sewer				
Sewer Connections	8,601	8,601	8,601	8,604
Average daily treatment (millions of gallons) - City only	1.87	1.87	1.87	1.64
Average daily treatment (millions of gallons) - Total SBSA	17.20	17.20	17.20	15.75
Treatment capacity - SBSA (millions of gallons)	29.00	29.00	29.00	29.00
Storm drain inlets	1,500	1,500	1,500	1,500
Sewer main blockages	101	53	4	4

Source: City of Belmont

Notes:

- (1) The Red Light Camera Enforcement began operations in May 2010 and ceased June 2013.
 - (2) Fire services provided through Belmont-San Carlos Fire Department through September 30, 2011.
 - (3) Inspections in harbor Industrial Area (HIA) began in fiscal year 2014.
 - (4) Starting in fiscal year 2013, only developed lots are reflected, stand-by parcels have been excluded.
- N/A denotes information not available.

Fiscal Year Ended June 30

2009	2010	2011	2012	2013	2014
			1,734	2,948	2,585
			192	302	838
			25	50	55
			35	27	122
23,221	23,171	26,568	29,489	28,887	30,087
1,741	1,570	1,215	529	555	495
539	615	539	539	448	575
6,128	3,044	5,420	4,697	4,190	1,360
2,238	1,256	1,908	2,362	2,332	2,732
2	2	0	0	0	0
25,645	28,805	31,580	33,680	35,145	39,605
8,607	8,607	8,607	8,607	7,648	7,653
1.64	1.64	1.64	1.64	1.64	1.64
15.75	15.75	15.75	15.75	15.75	15.75
29.00	29.00	29.00	29.00	29.00	29.00
1,500	1,500	1,500	1,500	1,500	1,500
21	3	2	4	6	3

CITY OF BELMONT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	Fiscal Year Ended June 30			
	2005	2006	2007	2008
Function/Program				
General Government:				
Administration Buildings	2	2	2	2
Public safety:				
Fire stations (2)	2	2	2	2
Police stations	1	1	1	1
Public works				
Miles of streets	70	70	70	70
Street lights	1,087	1,087	1,087	1,087
Traffic Signals	N/A	12	12	12
Culture and recreation:				
Community services:				
City parks:				
Number of developed parks	12	12	12	12
Acres of developed parks	60.10	60.10	60.10	60.10
Number of undeveloped parks	3	3	3	3
Acres of undeveloped parks	26.16	26.16	26.16	26.16
Acres of open space	260.58	260.58	260.58	260.58
Community Buildings	18	18	18	18
Library:				
City Library (3)	1	1	1	1
Water (Provided by Mid-Peninsula Water District)				
Sewer				
Miles of sanitary sewers	85.00	85.00	85.00	85.00
Storm Drains (miles)	27.00	27.00	27.00	27.00
Number of treatment plants (1)	1	1	1	1

Notes:

(1) Provided through the South Bayside Systems Authority

(2) Provided through the Belmont-San Carlos Fire Department through September 30, 2011.

 Belmont Fire Department established October 1, 2011.

(3) The Library is property of the City of Belmont and operated by San Mateo County.

Source: City of Belmont

N/A denotes information not available.

Fiscal Year Ended June 30

2009	2010	2011	2012	2013	2014
2	2	2	2	2	2
2	2	2	2	2	2
1	1	1	1	1	1
70	70	70	70	70	70
1,087	1,087	1,087	1,087	1,465	1,465
12	12	12	12	17	17
13	13	14	14	14	14
60.20	60.20	60.40	60.40	60.40	60.40
3	3	3	3	3	3
26.16	26.16	26.16	29.16	29.16	29.16
260.58	295.58	295.58	295.58	295.58	287.58
18	18	19	19	19	19
1	1	1	1	1	1
85.00	85.00	85.00	85.00	85.00	85.00
27.00	27.00	27.00	27.00	27.00	27.00
1	1	1	1	1	1

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**CITY OF BELMONT
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS
FOR THE YEAR ENDED June 30, 2014**

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CITY OF BELMONT
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS

For The Year Ended June 30, 2014

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MEMORANDUM ON INTERNAL CONTROL

To the City Council of
the City of Belmont, California

In planning and performing our audit of the basic financial statements of the City of Belmont (City), in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe to be of potential benefit to the City.

The City's written responses included in the Schedule of Other Matters have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, City Council, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards*, and is not intended to be and should not be used by anyone other than these specified parties.

Maze & Associates

Pleasant Hill, California
September 22, 2014

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MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

FS2014-01 Upcoming Governmental Accounting Standards Board Pronouncements

The following pronouncements are effective in fiscal year 2014/15:

GASB 68 - Accounting and Financial Reporting for Pensions (an amendment of GASB 27)

This Statement will have material impact on the City's financial statement. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared.

The following are the major impacts:

- This Statement requires the liability of employers and nonemployer contributing entities to employees for defined benefit pensions (**net pension liability**) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (**total pension liability**), less the amount of the pension plan's **fiduciary net position**.
- Actuarial valuations of the total pension liability are required to be performed at least every two years, with more frequent valuations encouraged. If a valuation is not performed as of the measurement date, the total pension liability is required to be based on update procedures to roll forward amounts from an earlier actuarial valuation (performed as of a date no more than 30 months and 1 day prior to the employer's most recent year-end).
- The actuarial present value of projected benefit payments is required to be attributed to periods of employee service using the entry age actuarial cost method with each period's service cost determined as a level percentage of pay. The actuarial present value is required to be attributed for each employee individually, from the period when the employee first accrues pensions through the period when the employee retires.

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

GASB 68 - Accounting and Financial Reporting for Pensions (an amendment of GASB 27) **(Continued)**

Single and Agent Employers

- In financial statements prepared using the economic resources measurement focus and accrual basis of accounting, a single or agent employer that does not have a special funding situation is required to recognize a liability equal to the net pension liability. The net pension liability is required to be measured as of a date no earlier than the end of the employer's prior fiscal year (the measurement date), consistently applied from period to period.
- The pension expense and deferred outflows of resources and deferred inflows of resources related to pensions that are required to be recognized by an employer primarily result from changes in the components of the net pension liability—that is, changes in the total pension liability and in the pension plan's fiduciary net position.
- This Statement requires that most changes in the net pension liability be included in pension expense in the period of the change. For example, changes in the total pension liability resulting from current-period service cost, interest on the total pension liability, and changes of benefit terms are required to be included in pension expense immediately. Projected earnings on the pension plan's investments also are required to be included in the determination of pension expense immediately.
- The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), beginning with the current period. The effect on the net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. Changes in the net pension liability not included in pension expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to pensions.
- Employer contributions subsequent to the measurement date of the net pension liability are required to be reported as deferred outflows of resources.

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

GASB 68 - Accounting and Financial Reporting for Pensions (an amendment of GASB 27) **(Continued)**

- In governmental fund financial statements: A net pension liability should be recognized to the extent the liability is normally expected to be liquidated with expendable **available** financial resources. Pension expenditures should be recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources.
- Notes to financial statements of single and agent employers include descriptive information, such as the types of benefits provided and the number and classes of employees covered by the benefit terms. Single and agent employers also should disclose the following information:
 - For the current year, sources of changes in the net pension liability
 - Significant assumptions and other inputs used to calculate the total pension liability, including those about inflation, salary changes, ad hoc postemployment benefit changes (including ad hoc COLAs), and inputs to the discount rate, as well as certain information about mortality assumptions and the dates of experience studies.
 - The date of the actuarial valuation used to determine the total pension liability, information about changes of assumptions or other inputs and benefit terms, the basis for determining employer contributions to the pension plan, and information about the purchase of allocated insurance contracts, if any.
 - Required Supplementary Information: Single and agent employers are required to present in required supplementary information the following information, determined as of the measurement date, for each of the 10 most recent fiscal years:
 - Sources of changes in the net pension liability
 - The components of the net pension liability and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percentage of covered-employee payroll.
 - Schedule covering each of the 10 most recent fiscal years that includes information about the actuarially determined contribution, contributions to the pension plan, and related ratios. If the contributions of a single or agent employer are not actuarially determined but are established in statute or by contract, the employer should present a schedule covering each of the 10 most recent fiscal years that includes information about the statutorily or contractually required contribution rates, contributions to the pension plan, and related ratios.

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

GASB 68 - Accounting and Financial Reporting for Pensions (an amendment of GASB 27)

(Continued)

- Significant methods and assumptions used in calculating the actuarially determined contributions, if applicable, should be presented as notes to required supplementary information. In addition, the employer should explain factors that significantly affect trends in the amounts reported in the schedules, such as changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions.

Cost-Sharing Employers

- Government-wide and accrual basis of accounting financial statements: A cost-sharing employer that does not have a special funding situation is required to recognize a liability for its **proportionate** share of the net pension liability (of all employers for benefits provided through the pension plan)—the collective net pension liability. An employer's proportion is required to be determined on a basis that is consistent with the manner in which contributions to the pension plan are determined, and consideration should be given to separate rates, if any, related to separate portions of the collective net pension liability. The use of the employer's projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers as the basis for determining an employer's proportion is encouraged.
- A cost-sharing employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions.
- In addition, the effects of (1) a change in the employer's proportion of the collective net pension liability and (2) differences during the measurement period between the employer's contributions and its proportionate share of the total of contributions from employers included in the collective net pension liability are required to be determined. These effects are required to be recognized in the employer's pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees). The portions of the effects not recognized in the employer's pension expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to pensions. Employer contributions to the pension plan subsequent to the measurement date of the collective net pension liability also are required to be reported as deferred outflows of resources related to pensions.

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

GASB 68 - Accounting and Financial Reporting for Pensions (an amendment of GASB 27) **(Continued)**

- In governmental fund financial statements, the cost-sharing employer's proportionate share of the collective net pension liability is required to be recognized to the extent the liability is normally expected to be liquidated with expendable available financial resources. Pension expenditures should be recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources.
- Notes to financial statements of cost-sharing employers include descriptive information about the pension plans through which the pensions are provided. Cost-sharing employers should identify the discount rate and assumptions made in the measurement of their proportionate shares of net pension liabilities, similar to the disclosures about those items that should be made by single and agent employers. Cost-sharing employers, like single and agent employers, also should disclose information about how their contributions to the pension plan are determined.
- This Statement requires cost-sharing employers to present in required supplementary information 10-year schedules containing (1) the net pension liability and certain related ratios and (2) if applicable, information about statutorily or contractually required contributions, contributions to the pension plan, and related ratios.

Management Response:

The City intends to implement upon its effective date.

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

GASB 69 – Government Combinations and Disposals of Government Operations

This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* include a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

- The distinction between a government merger and a government acquisition is based upon whether an exchange of significant consideration is present within the combination transaction. Government mergers include combinations of legally separate entities without the exchange of significant consideration. This Statement requires the use of carrying values to measure the assets and liabilities in a government merger. Conversely, government acquisitions are transactions in which a government acquires another entity, or its operations, in exchange for significant consideration. This Statement requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This Statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. This Statement defines the term *operations* for purposes of determining the applicability of this Statement and requires the use of carrying values to measure the assets and liabilities in a transfer of operations.
- A disposal of a government's operations results in the removal of specific activities of a government. This Statement provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold.
- This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions.

Applied on a prospective basis. Earlier application is encouraged.

Management Response:

The City intends to implement upon its effective date.

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

GASB 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB No. 68*

The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of *all* deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported.

Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68.

Management Response:

The City intends to implement upon its effective date.

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REQUIRED COMMUNICATIONS

September 22, 2014

To the City Council of
the City of Belmont, California

We have audited the basic financial statements of the City of Belmont for the year ended June 30, 2014. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards and *Government Auditing Standards*.

Significant Audit Findings

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Belmont are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year.

The pronouncement became effective, but did not have a material effect on the financial statements.

GASB 70 - Accounting and Financial Reporting for Nonexchange Financial Guarantees

Some governments extend financial guarantees for the obligations of another government, a not-for-profit entity, or a private entity without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). As a part of this nonexchange financial guarantee, a government commits to indemnify the holder of the obligation if the entity that issued the obligation does not fulfill its payment requirements. Also, some governments issue obligations that are guaranteed by other entities in a nonexchange transaction. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows related to the guarantee expected to be incurred. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range.

Unusual Transactions, Controversial or Emerging Areas

We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. However, the dissolution of the former Redevelopment Agency had a material impact to the financial statements of the City and its component units:

As discussed in Note 14, the California Department of Finance (DOF) has demanded that the Successor Agency of the former Redevelopment Agency (RDA) recover from the City and remit to the Auditor-Controller of the County of San Mateo, the amount of \$1,333,533 for distribution to other taxing entities. The amount demanded consists of payments that the former Redevelopment Agency made to contractors, consultants, vendors, and the City between January 1, 2011 and January 31, 2012, for goods and services, primarily for the construction of public works within the Project Area.

Health & Safety Code section 34179.5(b)(3) defines "transferred" as the transmission of money to another party that is not in payment for goods and services. DOF characterized the payments in question as disallowed transfers and did not acknowledge that the payments were for goods and services. The Former Agency and the City initiated a petition for writ of mandate in Sacramento Superior Court challenging DOF's determination and demand. Among other challenges, the petition disputes that assets were "transferred" within the meaning of Health & Safety Code section 34179.5(b)(3), and asserts that the majority of the payments (\$1,084,963 of the \$1,333,533 in dispute) were for capital costs paid for with bond proceeds that are not subject to distribution under the Dissolution Act. Subsequent to June 30, 2014, the City and DOF reached a settlement agreement which resolved the disputed payments.

As discussed in Note 15, ABx1 26 and AB1484 direct the State Controller to review the activities of all former redevelopment agencies and successor agencies to determine whether an asset transfer between a former redevelopment agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the successor agency. The State Controller's Office has not completed its asset transfer review and the effect of that review cannot be determined as of June 30, 2014.

Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements are as follows:

Management's estimate of depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 7. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Accrued compensated absences are estimated using accumulated unpaid leave hours and hourly pay rates in effect at the end of the fiscal year. We evaluated the key factors and assumptions used to develop the accrued compensated absences and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the City Council.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter dated September 22, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information Accompanying the Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

With respect to the required supplementary information accompanying the financial statements, applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not express an opinion nor provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Introductory and Statistical Sections included as part of the Comprehensive Annual Financial Report have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we did not express an opinion nor provide any assurance on them.

This information is intended solely for the use of City Council and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Maze & Associates

Pleasant Hill, CA

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MEMORANDUM

TO: Audit Committee
FROM: Thomas Fil, Finance Director
SUBJECT: City of Belmont Financial Policies
DATE: August 18, 2014

The City of Belmont has a long history of being a best practice city and, as such, incorporates Best Practices and Advisories issued annually by the Government Finance Officers Association (GFOA) and from other sources. GFOA Best Practices and Advisories are written as a guide, and identify specific policies and procedures contributing to improved government management. They aim to promote and facilitate positive change rather than to codify current accepted practices.

Staff has prepared the attached Appendix, compiling the entire list of City of Belmont Best Practices and Advisories. These policies are used by staff to identify enhanced techniques and provide information about effective strategies when these topics arise. They are not prescriptive, but are formative.

As part of the City's annual update, the Best Practices and Advisories will include new or modified recommended practices as they apply to the City. Staff would like to draw the Audit Committee's attention to those additions or modifications, which are highlighted in the attached Appendix. While there are many updates in this annual review, none require any special attention or are of concern to staff. Should the Audit Committee wish to read any of these policies in their entirety, they can be referenced at www.gfoa.org/best-practices.

By receiving and accepting this report, the Audit Committee recognizes the importance of Best Practices in the design, operation and administration of the City's internal control system, and in doing so, discharges its fiduciary duties and responsibilities. It is recommended the Audit Committee direct the Chair to transmit this action to the City Council as part of its annual report on the audit to City Council. By doing so, the Committee is recommending that the financial policies be accepted by City Council.

Comments and suggestions for additional areas of public finance that could be better served by the development of policies are encouraged.

Feel free to contact me, should you have any questions.

APPENDIX

**City of Belmont Financial Policies
(Best Practices and Advisories Listing)**

Accounting, Auditing, and Financial Reporting

- Implementing Office of Management and Budget (OMB) Uniform Guidance – (2014)*
- Taking Advantage of Indirect Cost Allocations – (2014)*
- Administering Grants Effectively – (2013)*
- Pricing Internal Services – (2013)*
- Using Fund Accounting Effectively – (2012)*
- Demonstrating Legal Compliance When Budgetary Special Revenue Funds Are Not Reported as Special Revenue Funds for the Purposes of GAAP Financial Reporting – (2012)*
- Practical Steps to Avoid, Limit, or Eliminate Internal Control Deficiencies Identified in an Audit – (2011)
- Presenting Official Financial Documents on Your Government's Website – (2009)
- Audit Committees – (2009)
- Getting Management Involved with Internal Control – (2008)
- Improving the Timeliness of Financial Reports – (2008)
- Documenting Costs to Support Claims For Disaster Recovery Assistance – (2008)
- Mitigating the Negative Effects of Statement on Auditing Standards No. 112 – (2007)
- Encouraging and Facilitating the Reporting of Fraud and Questionable Accounting and Auditing Practices – (2007)
- Determining the Estimated Useful Lives of Capital Assets – (2007)
- Documenting Accounting Policies and Procedures – (2007)
- Establishing Capitalization Thresholds for Capital Assets – (2006)
- Establishing an Internal Audit Function – (2006)
- Conforming to Governmental Accounting, Auditing, and Financial Reporting Standards – (2006)
- Preparing Popular Reports – (2006)
- Periodic Inventories of Tangible Capital Assets – (2006)
- Using the Comprehensive Annual Financial Report (CAFR) to Meet SEC Requirements for Periodic Disclosure – (2006)
- Maintaining Control over Items that Are Not Capitalized – (2005)
- Points to Consider when Deciding Whether to Use the Modified Approach for Recording Infrastructure Assets – (2005)
- Including Management's Discussion and Analysis in Departmental Reports – (2004)
- Audit Procurement – (2002)
- Measuring the Full Cost of Government Service – (2002)
- Locating Budget-to-Actual Comparisons Within the Basic Financial Statements – (2000)
- Basis of Accounting versus the Budgetary Basis – (1999)
- Applying Full-Cost Accounting to Municipal Solid Waste Management Activities – (1998)
- Presenting Securities Lending Transactions in Financial Statements – (1998)

**Updated August 2014*

Source: GFOA Recommended Best Practices- www.gfoa.com/best-practices

Budgeting and Financial Planning

- Strategies for Managing Health-Care Costs – (2014)*
- Establishing Government Charges and Fees – (2014)*
- Making the Budget Document Easier to Understand – (2014)*
- Financial Forecasting in the Budget Preparation Process – (2014) *
- Achieving a Structurally Balanced Budget – (2012)*
- Departmental Presentation in the Operating Budget Document – (2012)*
- Determining the Appropriate Levels of Working Capital in Enterprise Funds – (2011)
- Replenishing General Fund Balance – (2011)
- Inflationary Indices in Budgeting – (2010)
- Effective Budgeting of Salary and Wages – (2010)
- Determining the Appropriate Level of Unrestricted Fund Balance in the General Fund – (2009)
- Creating a Comprehensive Risk Management Program – (2009)
- Public Participation in Planning, Budgeting, and Performance Management – (2009)
- Presenting the Capital Budget in the Operating Budget Document – (2008)
- Business Preparedness and Continuity Guidelines – (2008)
- Long-Term Financial Planning – (2008)
- Alternative Service Delivery: Shared Services – (2007)
- Performance Management for Decision Making – (2007)
- Budgeting for Results and Outcomes – (2007)
- Incorporating a Capital Project Budget in the Budget Process – (2007)
- Examining the Benefits of Managed Competition – (2006)
- The Statistical/Supplemental Section of the Budget Document – (2005)
- Establishment of Strategic Plans – (2005)
- Adopting Financial Policies – (2001)
- Recommended Budget Practices from the National Advisory Council on State and Local Budgeting – (1998)
- Providing a Concise Summary of the Budget – (1996)

**Updated August 2014*

Source: GFOA Recommended Best Practices- www.gfoa.com/best-practices

Economic Development and Capital Planning

- Evaluating and Managing Economic Development Incentives – (2014)*
- Communicating Capital Improvement Strategies – (2014)*
- Creation, Implementation, and Evaluation of Tax Increment Financing – (2014)*
- Evaluating Data and Financial Assumptions in Development Proposals – (2013)*
- Capital Planning Policies – (2013)*
- Performance Criteria as a Part of Development Agreements – (2013)*
- Role of the Finance Director in Capital Asset Management – (2011)
- The Role of the Finance Officer in Economic Development – (2011)
- Assessing Risk and Uncertainty in Economic Development Projects – (2011)
- Technology in Capital Planning and Management – (2011)
- Coordinating Economic Development and Capital Planning – (2011)
- Environmentally Responsible Practices in Capital Planning – (2010)
- Asset Maintenance and Replacement – (2010)
- Monitoring Economic Development Performance – (2009)
- The Finance Officer's Role in the Privatization of Public Assets – (2009)
- Developing an Economic Development Incentive Policy – (2008)
- Disaster Preparedness – (2008)
- Public-Private Partnerships for Economic Development – (2008)
- The Role of Master Plans in Capital Improvement Planning – (2008)
- Capital Project Monitoring and Reporting – (2007)
- Multi-Year Capital Planning – (2006)

**Updated August 2014*

Source: GFOA Recommended Best Practices- www.gfoa.com/best-practices

Debt Management

- Selecting and Managing the Method of Sale of Bonds – (2014)*
- Selecting and Managing Municipal Advisors – (2014)*
- Selecting and Managing Underwriters for Negotiated Bond Sales – (2014)*
- Understanding Bank Loans – (2013)*
- Investment of Bond Proceeds – (2013)*
- Costs of Issuance Incurred in a Publicly Offered Debt Transaction – (2013)*
- Debt Issuance Transaction Costs – (2013)*
- Issuing Taxable Debt – (2012)*
- Debt Management Policy – (2012)*
- Disclosures of Pension Funding Obligations in Official Statements – (2012)*
- Managing Build America and other Direct Subsidy Bonds – (2012)*
- Expenses Charged by Underwriters in Negotiated Sales – (2012)*
- Analyzing and Issuing Refunding Bonds – (2011)
- Maintaining an Investor Relations Program – (2010)
- Pricing Bonds in a Negotiated Sale – (2010)
- Using a Website for Disclosure – (2010)
- Understanding Your Continuing Disclosure Responsibilities – (2010)
- Using Variable Rate Debt Instruments – (2010)
- Issuer's Role in Selection of Underwriter's Counsel – (2009)
- Business Preparedness and Continuity Guidelines – (2008)
- Selecting Bond Counsel – (2008)
- OPEB Bonds: Considerable Caution Needed – (2007)
- The Issuer's Role in Secondary Market Securitization of Tax-Exempt Obligations – (2005)
- Using Debt-Related Derivatives and Developing a Derivatives Policy – (2005)
- Underwriter Disclaimers in Official Statements – (2000)

**Updated August 2014*

Source: GFOA Recommended Best Practices- www.gfoa.com/best-practices

Pension and Benefit Administration

- Actuarial Audits – (2014)*
- Complying with the Affordable Care Act – (2014)*
- Developing a Process for Complying with the Patient Protection and Affordable Care Act (Updated, 2014)*
- Core Elements of a Funding Policy – (2013)*
- The Role of the Actuarial Valuation Report in Plan Funding – (2013)*
- Procuring Actuarial Services – (2012)*
- Monitoring and Disclosure of Fees for Defined Contribution Plans – (2012)*
- Ensuring OPEB Sustainability – (2012)*
- OPEB Governance and Administration – (2012)*
- Funding Defined Benefit Pensions – (2012)*
- Establishing and Administering an OPEB Trust – (2012)*
- Sustainable Pension Benefit Tiers – (2011)
- Developing a Review Process for Implementing National Health-Care Reform – (2011)
- Commission Recapture Programs – (2010)
- Responsible Management & Design Practices for Defined Benefit Pension Plans – (2010)
- Preparing an Effective Summary Plan Description – (2010)
- Governance of Public Employee Postretirement Benefits Systems – (2010)
- Asset Allocation for Defined Contribution Plans – (2009)
- Participant Education – Guidance for Defined Contribution Plans – (2009)
- Public Employee Retirement System Investments – (2009)
- Sustainable Funding Practices of Defined Benefit Pension Plans – (2009)
- Asset Allocation for Defined Benefit Plans – (2009)
- Communicating Health-Care Benefits to Employees and Retirees – (2009)
- Strategic Health-Care Plan Design – (2009)
- Using Alternative Investments for Public Employee Retirement Systems and OPEB Established Trusts – (2008)
- Considerations for Prefunding OPEB Obligations – (2008)
- Design Elements of Defined Benefit Retirement Plans – (2008)
- Design Elements of Defined Contribution Plans as the Primary Retirement Plan – (2008)
- Design Elements of Hybrid Retirement Plans – (2008)
- Developing a Policy for Retirement Plan Design Options – (2007)
- OPEB Bonds: Considerable Caution Needed – (2007)
- Developing a Policy to Participate in Securities Litigation Class Actions – (2006)
- Deferred Retirement Option Plans – (2005)
- Evaluating the Use of Pension Obligation Bonds – (2005)
- Evaluating the Use of Early Retirement Incentives – (2004)
- Investment Policies for Deferred Compensation Plans – (2004)
- Retirement and Financial Planning Services – (2003)
- Pension Investment Policies – (2003)
- Understanding Pension Fund Risk – (2001)

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- Brokerage Window Options for Defined Contribution Retirement Plans – (2001)
- Selecting Investment Advisers for Pension Fund Assets – (2000)

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Source: GFOA Recommended Best Practices- www.gfoa.com/best-practices

Treasury and Investment Management

- Due Diligence on Bank and Treasury Management Providers – (2014)*
- Electronic Payment and Collection Systems – (2014)*
- Government Relationships with Securities Dealers – (2012)*
- Bank Account Fraud Prevention – (2012)*
- Presenting Official Financial Documents Online – (2012)*
- Mutual Funds in Cash Management – (2012)*
- Purchasing Card Programs – (2011)
- Cash Flow Forecasts in Treasury Operations – (2011)
- Creating an Investment Policy – (2010)
- Establishing a Policy for Repurchase Agreements – (2010)
- Ensuring the Safety of Reverse Repurchase Agreements – (2010)
- Securities Lending Programs for Non-Pension Fund Portfolios – (2010)
- Using Safekeeping and Third-Party Custodian Services – (2010)
- Use of Derivatives and Structured Investments by State and Local Governments for Non-Pension Fund Investment Portfolios – (2010)
- Procurement of Banking Services – (2010)
- Using Remote Deposit Capture – (2010)
- Using Commercial Paper in Investment Portfolios – (2009)
- Accepting Payment Cards and Selection of Payment Card Service Providers – (2009)
- Managing Market Risk in Investment Portfolios – (2009)
- Selection and Review of Investment Advisors – (2009)
- Use of Lockbox Services – (2009)
- Local Government Investment Pools – (2008)
- Mark-to-Market Reporting for Public Investment Portfolios – (2008)
- Adopting Electronic Payment Systems – (2008)
- Payment Consolidation Services – (2007)
- Collateralizing Public Deposits – (2007)
- Diversifying the Investment Portfolio – (2007)
- Settlement Procedures for Debt Service Payments – (2007)
- Using Electronic Signatures – (2006)
- Monitoring the Value of Securities in Repurchase Agreements – (2006)

**Updated August 2014*

Source: GFOA Recommended Best Practices- www.gfoa.com/best-practices

Other

- City of Belmont Investment Policy (2014)
- City of Belmont Purchasing Policy, including Purchasing Control System Ordinance (2011)



CITY OF BELMONT

City Councilmember Agenda Item 13

FROM: Warren Lieberman, Mayor

RE: Consideration of a Resolution Addressing Clear Cut Logging

City Councilmembers:

Description of Issue/Request

A member of the local Sierra Club chapter requested that the Belmont City Council consider adopting a resolution encouraging the State legislature and the Governor to take steps to prohibit industrial clear-cut logging in the forests of California. Although Belmont is not in proximity to any “forests”, we do value our urban forest insofar as evidenced by our open space. In addition, Belmont has earned “Tree City USA” status for several years in a row, which is further evidence that trees are important to the community.

The Sierra Club advises that the cities of San Francisco, Daly City, and Davis have adopted similar ordinances. It has since been determined that the town of Monte Sereno has also adopted an ordinance.

Approximately how much staff involvement will this item take?

Minimal.

Financial Implications?

Not applicable.

How time sensitive is this issue?

None.

General Plan/Vision Statement

Two points from the City’s Vision Statement are applicable:

- We choose to make our home among these beautiful hills, trees, parks, views, and open spaces.
- Our wooded residential areas are diverse, peaceful and well maintained

Attachments

- A. Proposed Resolution
- B. Sample Resolution from the Sierra Club
- C. Similar Resolutions adopted by the cities of Daly City and Monte Sereno

RESOLUTION NO. 2014-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT ENCOURAGING THE STATE LEGISLATURE AND THE GOVERNOR OF CALIFORNIA TO PROHIBIT INDUSTRIAL CLEAR-CUT LOGGING IN THE FORESTS OF CALIFORNIA AND ADOPTING SUSTAINABLE SELECTIVE LOGGING PRACTICES

WHEREAS, there is significant public opposition to the logging method known as widespread industrial clear-cutting; and,

WHEREAS, the forests of California are not only revered by the people but are the source of more than 75% of our water supply; and,

WHEREAS, our forests fight global warming as they store carbon, release oxygen, cool streams, prevent flooding and siltation, resist fire, provide food, shelter and migration routes for wildlife, and host public recreation supporting the economy of mountain communities; and,

WHEREAS, widespread industrial clear-cutting commonly involves the removal of virtually all trees in 20-30 acre tracts, which are then replaced with even-aged tree plantations, and requires broad, repeated application of toxic herbicides that can enter waterways – all of which increase the risk of wildfires, landslides, soil erosion, loss of biodiversity, pest invasions, and tree diseases; and,

WHEREAS, clear-cutting is prohibited within the boundaries of Santa Clara, Santa Cruz, San Mateo, San Francisco and Marin Counties; and,

WHEREAS, California's forests urgently need the protection of sustainable selective logging to generate forests with trees of multiple ages and species, that can produce sufficient wood products and create more jobs than clear-cutting.

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1. Encourages the State legislature and the Governor of California to prohibit industrial clear-cutting logging in the forests of California and to adopt sustainable selective logging practices which will leave our diverse ecosystems intact.

* * *

ADOPTED October 14, 2014, by the City of Belmont City Council by the following
vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney



CALIFORNIA CITY [CC1] RESOLUTION:

Protect Healthy Forests by Limiting and Closely Regulating Widespread Industry Clear-Cut Logging

[CC2]

Subject: A resolution to be presented to town or city councils in support of our campaign to stop widespread industrial clear-cut logging in the state of California.

- 1) WHEREAS**, our forests fight global warming as they store up to 20% of carbon emissions, release oxygen, cool streams, prevent flooding and siltation, resist fire, and provide food, shelter, migration routes for wildlife, and
- 2) WHEREAS**, our forests provide 75% of California's clean water supply by capturing snow, rain and fog; storing, filtering and gradually releasing water throughout the year; and increasing humidity, rainfall, and lowering temperatures, and
- 3) WHEREAS**, clear-cut logging undermines the benefits of forests by increasing the risk of water supply contamination, worsening greenhouse gas emissions, and intensifying drought and wildfires, and
- 4) WHEREAS**, widespread industrial clear-cutting involves removal of virtually all trees in 20 to 30-acre tracts, often requires repeated application of toxic herbicides, then replacement by tree plantations, all of which increase the risk of wildfires, landslides, soil erosion, loss of biodiversity, pest invasions, and tree diseases, and
- 5) WHEREAS**, a new tree plantation emits more carbon than it stores for the first 20 years and requires 80% more water than a mature forest, and
- 6) WHEREAS**, 1,076,504 acres were clear-cut out of 3,334,743 acres logged, within the 13 million acres of privately owned forest land in California, between 1990 and 2008, and
- 7) WHEREAS**, clear-cutting is prohibited within the boundaries of Santa Clara, Santa Cruz, San Mateo, San Francisco and Marin Counties
- 8) WHEREAS**, the sustainable selective logging of trees of multiple ages and species produces sufficient wood products and creates more consistent jobs and revenues than clear-cutting, maintains a local supply, allows for more frequent logging of smaller harvests, and
- 9) WHEREAS**, the forests of California promote human health and well-being as well as economic value from jobs in recreation, tourism, sport and commercial fishing, and wood products;

NOW THEREFORE BE IT RESOLVED that the Mayor, Vice Mayor and City Council of Belmont, CA call on the state legislature and Governor of California to prohibit industrial clear-cut logging in the forests of California and adopt sustainable selective logging practices, which will leave our diverse ecosystems intact.

Mayor _____

Vice Mayor _____

City Council Member _____

City Council Member _____

City Council Member _____

City Council Member _____

RESOLUTION NO. 3560

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTE SERENO
OPPOSING WIDESPREAD INDUSTRIAL CLEAR-CUT LOGGING IN THE STATE OF
CALIFORNIA.**

WHEREAS, there is significant public opposition to the logging method known as widespread industrial clear-cutting* as shown in Figures 1 & 3 attached hereto, and

WHEREAS, the forests of California are not only revered by the people but are the source of more than 60% of our water supply, and

WHEREAS, our forests fight global warming as they store carbon, release oxygen, cool streams, prevent flooding and siltation, resist fire, provide food, shelter and migration routes for wildlife, and host public recreation supporting the economy of mountain communities, and

WHEREAS, widespread industrial clear-cutting commonly involves the removal of virtually all trees in 20-30 acre tracts, which are then replaced with even-aged tree plantations, and requires broad, repeated application of toxic herbicides that can enter waterways – all of which increase the risk of wildfires, landslides, soil erosion, loss of biodiversity, pest invasions, and tree diseases, and

WHEREAS, clear-cutting is prohibited within the boundaries of Santa Clara, Santa Cruz, San Mateo, San Francisco and Marin Counties, and

WHEREAS, California's forests urgently need the protection of sustainable selective logging, as shown in figure 2 (Page 2 attached hereto), to generate forests with trees of multiple ages and species, that can produce sufficient wood products and create more jobs than clear-cutting;

NOW THEREFORE, BE IT RESOLVED that the City Council of the City Of Monte Sereno calls on the State Legislature and Governor of California to prohibit industrial clear-cut logging in the forests of California.

Regularly adopted and passed this 10th day of June, 2014, by the following vote:

AYES: Council Members Anstandig, Allan, Huff, Rogers and Mayor Craig
NOES: None
ABSENT: None

APPROVED:

Burton Craig, Mayor

ATTEST: _____
Andrea M. Chelemengos, City Clerk

RESOLUTION NO. 14-42

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DALY CITY
SUPPORTING THE PROHIBITION OF INDUSTRIAL CLEAR-CUT LOGGING
IN THE FORESTS OF CALIFORNIA

WHEREAS, there is significant public opposition to the logging method known as widespread industrial clear-cutting; and

WHEREAS, the forests of California are not only revered by the people but are the source of more than 60% of the State's developed water supply; and

WHEREAS, forests fight global warming as they store carbon, release oxygen, cool streams, prevent flooding and siltation, resist fire, provide food, shelter and migration routes for wildlife, and host public recreation supporting the economy of mountain communities; and

WHEREAS, widespread industrial clear-cutting commonly involves the removal of virtually all trees in 20-30 acre tracts, which are then replaced with even-aged tree plantations, and requires broad, repeated application of toxic herbicides that can enter waterways – all of which increase the risk of wildfires, landslides, soil erosion, loss of biodiversity, pest invasions, and tree diseases; and

WHEREAS, the counties of Santa Clara, Santa Cruz, San Mateo, San Francisco and Marin have prudently prohibited clear-cutting within their boundaries; and

WHEREAS, California's forests urgently need the protection of sustainable selective logging, to generate forests with trees of multiple ages and species, that can produce sufficient wood products and create more jobs than clear-cutting.

NOW THEREFORE, BE IT RESOLVED that the Mayor, Vice Mayor and City Council of Daly City, California calls on the state legislature and Governor of California to prohibit industrial clear-cut logging in the forests of California.

I hereby certify the foregoing to be a true copy of a Resolution adopted by the City Council of Daly City, California, at a regular meeting thereof held on the 24th day of March, 2014, by the following vote of the members thereof:

AYES, and in favor thereof, Councilmembers: Buenaventura, Guingona, Klatt

Torres, Canepa

NOES, Councilmembers: None

Absent, Councilmembers: None


CITY CLERK OF THE CITY OF DALY CITY

APPROVED:

DAVID J. CANEPA
MAYOR OF THE CITY OF DALY CITY